

## Clinton Hails United Berlin As a Symbol For Future

By Ruth Marcus

**WASHINGTON POST SERVICE**  
BERLIN — President Bill Clinton came Tuesday to the city whose walled division symbolized the Cold War to proclaim the triumph of democracy, and to underline the challenges facing Germany and the world to make good use of that hard-won freedom.

The first American president to visit the city since the 1989 fall of the Berlin Wall and the unification of the country, Mr. Clinton walked from the old Reichstag through the columns of the Brandenburg Gate.

Standing in what was Communist East Berlin, he celebrated the end of the split of Germany, speaking in both English and German.

"Nothing will stop us. All things are possible. *Nichts wird uns aufhalten. Alles ist möglich*," said Mr. Clinton, who studied German while a student at Georgetown University.

He got roars of approval from a crowd estimated at 100,000.

"Berlin ist frei. Berlin is free," he said.

It was a day rich with history and symbolism as Mr. Clinton visited the city where the hero of his boyhood, John F. Kennedy, proclaimed his solidarity with the people of divided and threatened Berlin.

It was where President Ronald Reagan challenged the reform leader of the Soviet Union, Mikhail S. Gorbachev, "Mr. Gorbachev, tear down this wall! Mr. Gorbachev, open this gate!"

As Mr. Clinton extolled the transformations of the last five years, he also set out his vision of a democratic and integrated Europe and pointed to the difficulties Germany and other nations face in achieving that goal.

"Now, you who found the courage to endure, to resist, to tear down the wall, must find a new *Zivilcourage* — the courage to build," he said. "Here, in Germany, in the United States, and throughout the world, we must reject those who would divide us with scolding words about race, ethnicity or religion."

Later, Mr. Clinton marked the end of nearly 50 years of U.S. military presence in Berlin, presiding over the deactivation ceremony for the Berlin Brigade. That U.S. Army unit patrolled the city during the Four Power occupation, manned the cross-

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President Bill Clinton speaking to 100,000 Berliners on Tuesday at the historic Brandenburg Gate.

## Bonn Court Allows Troop Role Abroad

### A First Since Third Reich: Combat Permitted if Parliament Approves

By Craig R. Whitney

**KARLSRUHE, Germany** — Germany's highest court cleared the way on Tuesday for the fuller German role on the world stage wanted by the United States and other allies, ruling that armed military peacekeeping missions abroad were constitutional if Parliament approved them first.

The ruling by the Federal Constitutional Court swept aside a psychological barrier that has inhibited Germany since the collapse of the Third Reich in 1945. It allows the German Federal Republic to assume greater responsibility that its leaders and friends feel it has long been ready for in the United Nations, NATO and other international organizations.

"What I have always wanted has become clear in this ruling," said Chancellor Helmut Kohl, visiting Berlin on Tuesday with President Bill Clinton. When asked how he felt about German troops operating abroad again, Mr. Clinton said, "I am completely comfortable with that." (Page 2)

Foreign Minister Klaus Kinkel, Defense Minister Volker Rühe and many other Bonn politicians listened attentively in court as the eight judges who made the decision took turns reading it out.

"The brake that was holding us back is gone," Mr. Kinkel said. But he added: "Cautiousness and reserve will certainly continue to do us good in the future."

Future debates about possible peacekeeping operations in Europe or elsewhere would now no longer be about whether Germany could take part, politicians of all parties agreed Tuesday, but whether it should.

The court threw out an argument used for decades by German politicians who argued that the 1949 constitution's ban on all German military activity except in collective security organizations meant that German troops could act only in self-defense of German territory. Since commu-

nism collapsed five years ago, there has been no direct threat of aggression from any direction.

Many U.S. and British officials felt that the Germans were hiding behind their constitution when they argued that it barred them from helping in the UN-authorized war to drive Iraq out of Kuwait in 1991. Mr. Kohl, who helped bankroll the allies, then but did not send troops to fight, has been edging toward a broader role — but not a unilateral one — for the past two years.

He fought every step of the way with his Social Democratic opposition. The Social Democrats challenged Mr. Kohl's right to send German forces to Somalia last year and opposed letting German soldiers take part in multilateral operations enforcing UN bans on arms shipments by sea to the former Yugoslavia and Serbian air operations over Bosnia.

Nevertheless, they hailed Tuesday's ruling as a victory because the court ruled that the government had violated the constitution by not using its majority in Parliament to get a majority vote approving all three operations first.

The German brigade in Somalia pulled out in March, before the United States did, but Mr. Kinkel said the government would "promptly" seek explicit parliamentary approval of German participation in the continuing operations by NATO and the Western European Union, the European Union's military arm, over the Balkans and in the Adriatic.

Mr. Kinkel's Free Democratic Party, part of Mr. Kohl's coalition government, backed its decisions on these operations but, in effect, sued itself and the government to clear the air. The Free Democrats went to court to get a definitive ruling on whether German officers could remain on NATO air control planes that direct air

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## Germans on Champs-Elysées: 'Hope of Tomorrow's Europe'

By Barry James

**VILLACOUBLAY, France** — In a shimmering haze of heat and blue diesel fumes, German mechanized infantry roared along an airport runway on Tuesday, rehearsing for a symbolic moment in history: the first time a German combat unit has paraded in Paris for a half-century.

The 294th Panzer Grenadier Battalion will ride down the Champs-Elysées on the French national holiday, Bastille Day, on Thursday as a sign of peace and cooperation between the two nations. President François Mitterrand approved the German presence as a symbol of reconciliation following the exclusion of Germany from the commemoration of D-Day last month.

The planned event has shocked many French people. Even such an advocate of closer ties with Germany as former President Valéry Giscard d'Estaing choked with emotion on television recently when he

recalled Nazi troops marching outside his home during the occupation.

But General Michel Guignon, the military governor of Paris, said he had no problem with the German presence.

It was a political decision, he said, and "when a soldier receives an order of a political nature, he obeys it without discussion."

"The only grounds for refusal would be if the decision offended his honor or his conscience," the general said. "In such an event, the soldier puts his kepi on the table and leaves. But this decision offends neither my honor nor my conscience and therefore I carry it out without comment."

The German troops form part of the five-nation Eurocorps, based at Strasbourg. General Guignon said that focusing only on the German presence ignored the participation of Belgian, Spanish and Luxembourg army units in the corps, which

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## After Kim Il Sung's Death, a Confused Letdown

By James Sterngold

**SEOUL** — For more than four decades, ever since the North Korean dictator, Kim Il Sung, launched the Korean War, leaving millions dead and the Peninsula in ruins, many South Koreans and Americans have been awaiting the death of this dangerous leader as a moment to rejoice.

But something strange has happened since Mr. Kim died last Friday, reportedly from a heart attack, at 82. Not only have many people here failed to applaud his passing, but, as one official put it Tuesday,

there is even some disappointment among top policymakers.

More important, this restrained response to Mr. Kim's death would probably have been quite different if it had taken

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place just a few weeks earlier, before he surprised his one-time foes by suddenly taking a conciliatory line in relations with South Korea and the United States.

"We are confused," admitted the South Korean official.

"There is a sense of letdown here," said a Western diplomat.

Of course, the murkiness of the succession process in North Korea and uncertainty over the future policies of the hard-line Communist government are an important source of apprehension. Mr. Kim's son, Kim Jong Il, a reclusive man who once kidnapped a South Korean film director to enliven his country's cinema, appears to be consolidating his position as the new leader, and that has left many here nervous.

In addition, there is speculation that the

younger Mr. Kim does not have the charisma to maintain absolute power, as his father did, and thus a period of instability in the North may be in store. There is talk of coups and even civil war.

But several officials and Western diplomats conceded that the unusual turn of events in the preceding few weeks had produced what amounts to an unanticipated reassessment of Kim Il Sung.

For the previous 18 months, President Kim had been heading toward a dangerous collision with the United States and the

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## Central Banks Absent as Dollar Slides

Compiled by Our Staff From Dispatches

**NEW YORK** — With central banks standing idly by, the dollar crashed to another postwar low against the yen Tuesday as a benign U.S. inflation picture made it less likely that the Federal Reserve Board will raise interest rates.

The U.S. government reported that wholesale prices as measured by the producer price index were unchanged in June after a 0.1 percent drop in May. The figures were seen as further evidence that price pressures remain well under control despite signs the economy is moving ahead briskly.

"This certainly doesn't push the Fed to raise rates," said Tom Hoge, a trader at Bank of New York. "Without inflation, the Fed will stay on hold, and that's not good for the dollar."

The dollar closed in New York at 97.325 yen, down from 97.725 on Monday.

Concerns that central banks will intervene soon to support the dollar kept it relatively stable against European currencies. Some investors who had sold dollars short bought them back on Tuesday to pocket profits from the slide, which also brought the U.S. currency up from its lows.

The dollar closed at 1.5280 Deutsche marks, nearly even with Monday's close of 1.5279, at 3.2465 French francs, down from 3.2525, and at 1.2900 Swiss francs, up slightly from 1.2890. The pound weakened to \$1.5685 from \$1.5720.

Avinash Persaud, head of currency research at J.P. Morgan & Co., dismissed talk that central banks were buying dollars on Tuesday.

"The Federal Reserve is not as obsessed about the dollar as the foreign exchange market," he said.

Previous bouts of concerted central

bank intervention in May and June did little or nothing to stop the dollar's slide.

The dollar also continued to suffer from the lack of attention it was given during last weekend's summit meeting of leaders from the Group of Seven industrialized countries.

"If the policy is to let the market determine the dollar's level, you're going to see some wild currency trading," said Paul Farrell, manager of strategic currency trading at Chase Manhattan Bank. "The dollar is a fair game."

Win Thin, international economist at MCM CurrencyWatch, a consulting firm, said the G-7's inaction gave a "green light" to sell dollars and the markets smell blood.

Many analysts and traders are now looking for higher U.S. interest rates as the last hope to prop up the ailing currency.

(Reuters, Bloomberg, AP)

### Kiosk

#### U.S. Protests Arrests In Jakarta Press Case

**JAKARTA (Reuters)** — The United States on Tuesday denounced Indonesia's arrest of 42 students who were on a hunger strike to protest a recent government press crackdown. Diplomats said the unusually tough statement reflected growing official U.S. concern about Indonesia's pressures on its media.

The government ordered three outspoken weekly magazines closed last month, prompting widespread protests. The 42 protesters on the hunger strike were arrested on July 7 at the Indonesian Legal Aid Foundation.

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### WORLD CUP GRANDSTAND

#### What, Bulgarians Worry?

For the Cinderella semifinalist Bulgaria, the future is now, and the players are loving every minute of it, writes Ian Thomsen. But after upsetting both of the 1990 finalists — Argentina and Germany — Bulgaria now faces Italy and the serene Roberto Baggio, who twice has calmly lifted his team from the brink of defeat to put it within two victories of a fourth World Cup trophy.

**Welcome to the Video Age**  
For the first time at a World Cup, FIFA used a video replay to punish a player for an action the referee on the field did not catch.

Wednesday's semifinal matches: Italy vs. Bulgaria, at East Rutherford, New Jersey, 2:05 GMT; Brazil vs. Sweden, at Pasadena, California, 2:35 GMT.  
World Cup report: Pages 20 and 21

## Haiti's Actions Justify Threat, Clinton Asserts

Compiled by Our Staff From Dispatches

**BERLIN** — President Bill Clinton said Tuesday that Haiti's expulsion of a United Nations human rights mission was a desperate act that validated his decision to consider military force "to bring an end to this."

Mr. Clinton said at a news conference on the last day of his weeklong trip to Europe that he hoped the order by Haiti's military rulers would stiffen international resolve to tighten economic sanctions.

In New York, the United Nations Security Council strongly condemned the expulsion order. "The Security Council considers this action a serious escalation in the defiant stance of Haiti's illegal de facto regime toward the international community," the council said in a statement. "This provocative behavior directly affects the peace and security of the region."

A spokesman for the UN secretary-general, Boutros Boutros Ghali, said the United Nations had decided to evacuate the human rights monitors within "the next day or so" for their safety.

Mr. Clinton, asked if the expulsion would make it easier to order a military invasion, said, "It certainly validates the position that we have taken so far that that's an option we shouldn't rule out."

Faced with an increasing flow of refugees fleeing Haiti, Mr. Clinton has been under pressure to end a drama that has dragged on for about 33 months.

The Defense Department has acknowledged that U.S. forces have begun rehearsing an invasion, a move described by a

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## California Beaches: Guns Shatter Endless Summer

By Sara Rimer

**HUNTINGTON BEACH, California** — A 17-year-old surfer named Brian Dooley, his bleached-blond hair glowing in the night, kissed his ponytailed summer love, Shauna Meneses, 16, one more time.

It was 10 P.M. The last beachgoers were packing up their Frisbees and blankets. The lifeguards, Matt Norton and Eric Diesterman, were patrolling in their four-wheel drive, enforcing the curfew. "Time to go home, folks," they called out over the public address system. And people did.

The scene is not always so laid-back. Mr. Norton and Mr. Diesterman had left their bulletproof vests at headquarters. Some lifeguards have taken to wearing them on Friday and Saturday nights, when the crowds can get rowdy after they are asked to leave.

"It's another layer of protection," Mr. Norton said. These days he and other lifeguards do a lot more than rescue people. In San Diego, they carry Mace and are trained in handling gangs. At the state beaches near here, the permanent lifeguards are state rangers who have been carrying guns since the 1970s.

The lifeguards at the municipal beach in Huntington Beach are unarmed, and there have been no shootings, but a lifeguard was doused with gasoline and nearly set on fire by a vagrant two summers ago. There was a stabbing on the pier three weeks ago involving two young men from Los Angeles. There was a double homicide in April on Main Street, three blocks from the beach. The new generation of beachgoers includes urban gang members, the police say.

Up the coast, in Venice, the police shut the beach at 1 P.M. one day last month because of gang violence.

Seventeen people have been shot to death on the streets of that Los Angeles community since last fall.

The beach in Southern California has long been the last frontier of youth, freedom and hedonism, the land of endless summer. But summer as the season of abandon is waning and the change seems particularly startling here, in Surf City, as Huntington Beach has proclaimed itself since the 1960s.

The beaches in Southern California are a cultural institution, and, unlike the ones back East, most are open and readily accessible to the public. Not everyone can afford to live near the beach, but anyone can take the freeway to get there. Now, the beaches are becoming more crowded and concerns for public safety are increasing. The year-old curfew at Huntington Beach is part of a

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Dow Jones	Trib Index
Down 0.33	Down 0.23%
3702.66	113.15

The Dollar	Tues. close	previous close
DM	1.528	1.528
Pound	1.5685	1.572
Yen	97.325	97.725
FF	3.2465	3.2525

Newsstand Prices	
Andorra.....9.00 FF	Luxembourg 60 L. Fr
Antilles.....11.20 FF	Morocco.....12 Dh
Cameroon.....1.40 CFA	Qatar.....8.00 Riels
Egypt.....E.P. 5000	Réunion.....11.20 FF
France.....9.00 FF	Saudi Arabia.....5.00 R.
Gabon.....960 CFA	Senegal.....960 CFA
Greece.....300 Dr.	Spain.....200 PTAS
Italy.....2,400 Lire	Tunisia.....1,000 Din
Ivory Coast.....1,120 CFA	Turkey.....T.L. 35,000
Jordan.....1 JD	U.A.E.....8.50 Dirh
Lebanon.....US\$ 1.50	U.S. Mtl. (Eur.) \$1.10



# The Post-Post Cold War Era: U.S. Loses Its Savior Cachet

By Thomas L. Friedman

New York Times Service

BERLIN — When President John F. Kennedy visited Berlin in 1963 the nearly three million Berliners who turned out to greet him were the largest crowd he had ever seen.

So large, in fact, that Mr. Kennedy said that when he left office he was going to leave his successor a sealed letter to be opened only when things got really bad at home. The letter would read, "Go to Germany."

How times have changed. What has been so striking about President Bill Clinton's trip through Europe this week, including Berlin, is how muted the response has been for the American president.

From Latvia, to Poland, to Italy, to Germany, the crowds have been at times substantial, but never huge, always embracing but hardly ecstatic, not only compared to those for the charismatic Mr. Kennedy, but even to the rather uncharismatic George Bush.

The explanation, though, seems to have little to do with Mr. Clinton. It is much more a statement about this moment. To put it simply: The Cold War era, when cheering a U.S. president in

Berlin or Warsaw was not only an act of affection but, more important, an act of defiance against the Soviets, is over.

The honeymoon of the post-Cold War world is also over — the days when a U.S. president could whip a crowd into a frenzy by describing that land of milk and honey that lay ahead.

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once Europe was whole and free. Today is the post-post-Cold War era, the era of daily life, and when the main questions on the table are who takes out the garbage and "What have you done for me lately?"

As the Cold War was ending, those who had lived behind the Iron Curtain had enormous expectations about what lay ahead and they were starved to hear from an American leader what it looked like on the other side of the hill.

Well, they are now on the other side of the hill. They know what it looks like and it looks complicated. It looks a little like Bosnia, a little like free markets, with all of their opportunities and uncertainties, a little like unemploy-

ment, a little like inflation, a little like Western Europe refusing to open its markets to their products or NATO to their armies.

What Mr. Clinton seems to have discovered on this trip is that in Europe he has inherited a moment when the heroes of the Cold War have ridden off into the sunset, the credits have rolled, and the United States is neither protecting Europe nor liberating it anymore.

Everyone seems to have shrunk three sizes. When aides told President Clinton that President Lech Walesa of Poland had sunk to a 5 percent approval rating in Polish public opinion polls, the president said: "Five percent? No one can be that low!"

Much has been made of the fact that Mr. Clinton, because he has focused his presidency on domestic policy, has deprived himself of one of the traditional sources of presidential authority: foreign policy, with its dramatic foreign trips, commander in chief decisions, and relative freedom from congressional interference. That is true enough.

But what this little tour underscores

is that even if Mr. Clinton had chosen to base his presidency more on foreign policy, it is highly questionable whether it would have given him the authority boost it has other presidents, at least in Europe.

If Harry Truman and Dean Acheson were "present at the creation" of the Cold War world, Bill Clinton and Warren M. Christopher are "present at the adaptation" of the post-Cold War world. They do not have the challenge, or the opportunity, of building institutions from scratch — whether it is NATO or the General Agreement on Tariffs and Trade.

They must try to adapt these institutions at a time when the Europeans have a much stronger say in what should go into them, when economic resources are scarce and when there is no Soviet enemy to compel the allies to fall in line. The world is now safe for small wars; it is also safe for greater discord among the allies.

When Mr. Clinton offered a proposal at the Naples economic summit meeting for looking beyond the GATT agreement and beginning to talk about the issues not dealt with in GATT, such as financial services, he was

spurned by the other six leaders. The president was forced, rather embarrassingly, to take his proposal off the table.

Throughout this trip Mr. Clinton cajoled the West Europeans to open their economies to more exports from Eastern Europe, as the United States has from Mexico. Otherwise capitalism will never take root in Poland or Ukraine. But the West European welfare states have soaring unemployment, and their leaders made clear to Mr. Clinton that they are reluctant to allow imports that could cost them a single job at home.

When President Kennedy came to Germany the dollar was as good as gold. Today it fluctuates wildly against the Deutsche mark and the Japanese yen. The era of fixed exchange rates is gone. The Cold War world was characterized by governments dominating their economies, and no government was more dominant than America's. The post-Cold War world is characterized by free markets. It is the markets that dominate the governments today. It is a time when all governments can do less, not more.

## Clinton Endorses Bonn Troop Ruling

Compiled by Our Staff From Dispatches

BERLIN — President Bill Clinton welcomed the ruling Tuesday by Germany's high court giving the go-ahead for German troops to be sent abroad on multilateral missions, subject to Parliament's approval.

The NATO secretary-general, Manfred Wörner, also welcomed the ruling.

But questions about the strength of the British-U.S. relationship arose anew after the Federal Constitutional Court decision on the German armed forces. Britain shrugged off talk of strengthened ties between the United States and Germany, saying that London's so-called special relationship with Washington was alive, well and unthreatened.

"It's no skin off our nose if there are good relations between the U.S. and Germany," said a government source. "It's not a zero-sum game. It doesn't take one from another."

Mr. Clinton said at a news conference that Germany had demonstrated its leadership with its efforts at European integration and by taking a large number of refugees from the conflict in the former Yugoslavia.

"Of course, I can envision German forces getting involved in something like the United Nations effort in the Gulf," the president said, referring to the 1991 Gulf War that Bonn sat out because of the legal uncertainty about its troops.

His expression of support was so sweeping that Chancellor Helmut Kohl, at a joint press conference with Mr. Clinton

and the European Commission president, Jacques Delors, broke in to say that Bonn alone would decide where it might send troops.

Mr. Clinton said that Germany, which has kept a low military profile because of the horrors of Nazi militarism, had set standards in humanity, democracy and respect for diversity.

"Germany has taken the lead for pushing for the integration of Europe, for the sharing of power of the European nations," he said.

Asked if he was worried about German troops fighting abroad outside the NATO area for the first time since World War II, he replied: "I am completely comfortable with that."

Mr. Kohl said he was very satisfied with the long-awaited court ruling, which he said confirmed his position that united Germany should take on more global responsibility.

In Brussels, Mr. Wörner welcomed the decision of the German constitutional court "concerning participation of German forces in operations other than those in defense of the territory of Germany and her NATO allies," a NATO spokesman said.

He added that German involvement would make it easier for the international community to fulfill its responsibilities.

Bonn ministers, aware of lingering fears among about an over-mighty Germany, have been at pains to stress that Germany has no plan to become a "world policeman" and will act only in concert with others and under a UN mandate.

(Reuters, AP, AFP)



LUNCH AT THE CASTLE — Hillary Rodham Clinton, left, and Helmut Kohl, wife of Germany's chancellor, after their lunch Tuesday at Charlottenburg Castle in Berlin.

## Serbs and Muslims in Bosnia Extend Truce a Month

The Associated Press

SARAJEVO, Bosnia-Herzegovina — Bosnian Serbs and the Muslim-led government agreed Tuesday to renew a truce that took effect a month ago.

The accord was announced by the United Nations special envoy, Yasushi Akashi, in Sarajevo. He said the both sides had decided to extend until Aug. 10 the cease-fire that formally lapsed

Saturday. The new truce is to go into effect immediately.

Government officials have signed the new agreement and the Serbs have given verbal assurance that they would conform, Mr. Akashi said.

Like the dozens of others during the 27-month war, the previous cease-fire was frequently broken, and the weak oral commitment by the Bosnian Serbs put the new agreement on shaky ground from the outset.

Still, any accord demonstrates at least a token willingness by the warring factions to work toward a permanent political solution.

Fighting continued Tuesday, especially in the northwestern Bilac area, where government forces were battling Serbs and a renegade Muslim leader, Fikret Abdic. Battles also were reported in north-central Bosnia.

Mr. Akashi said the cease-fire accord also urged an end to the practice of

purging occupied territory of rival ethnic groups, known as ethnic cleansing, and full compliance with human rights norms.

The combatants have only another week to accept or reject an international peace plan that would give ethnic Serbs 49 percent of Bosnian territory and a Muslim-Croat federation the rest. Serbs now hold more than 70 percent of the territory.

## Tourists Are Worried as 2 Bombings Wound 6 on Rhodes

Reuters

RHODES, Greece — Bomb explosions wounded six tourists, one seriously, on this popular vacation island Tuesday.

Two blasts, at short intervals, rocked the island's main city, also called Rhodes. A Dane was taken to a hospital for treatment of a leg injury.

The others, slightly injured, included a Swede, a Dane, a German and two Greeks. A bomb in Rhodes's coastal town of Lindos on Monday badly injured a Greek and an Italian tourist.

The explosions on Tuesday around the island's main port city caused panic among tourists, the police said.

No one has claimed responsibility for the attacks, but Public Order Minister Stelios Papatheodoris said the bombings were aimed at damaging tourism. He added that he believed foreign agents were at work.

Although officials in Athens refused to speculate about who had carried out the attacks, Rhodes officials accused Turkey. Ankara had accused Greece of tolerating terrorism after a senior Turkish diplomat

was shot and killed by guerrillas in Athens on July 4.

Turkey has also accused Athens of training guerrillas of the separatist Kurdish Worker's Party, which has been targeting Turkish tourist sites this year.

Police sources said the Rhodes bombs consisted of sticks of dynamite rigged with slow burning fuses.

The first blast on Tuesday went off outside the Elli nightclub in the popular Mandraki district. It wrecked nearby cars and motorbikes but did not cause any injuries, the police said.

## U.S. Urges Ankara to End Abuse Of Kurds

The Associated Press

ANKARA — Citing allegations of torture and abuses in the military campaign against Kurdish rebels, a U.S. State Department official on Tuesday urged Turkey to move quickly to improve human rights.

John Shattuck, an assistant secretary of state, said: "The reports have grown more serious recently, particularly in the areas of alleged restrictions on freedom of expression, allegations on the use of torture against pretrial detainees, and alleged abuses against civilians in the military operations against terrorists in the south-east."

Mr. Shattuck, who deals with questions of democracy, human rights and labor, arrived here Sunday to discuss the allegations with Turkish officials and civilian groups.

Turkey has come under increasing criticism from the United States, Western Europe and various international institutions for abuses during its military campaign to crack down on the Kurdish guerrillas, who have been fighting for autonomy Turkey's Kurds for the past 10 years.

Turkey denies human rights violations.

"We recognize that some of these problems are in the context of Turkey's legitimate struggle against terrorist acts," Mr. Shattuck said. But he stressed that basic human rights should not be abandoned in the fight against terrorism.

The House of Representatives has attempted to link U.S. aid to improvement in Turkey's human rights status. The Council of Europe's parliamentary assembly voted to send a delegation to Turkey to investigate the Kurdish problem. The Conference on Security and Cooperation in Europe also decided on a fact-finding mission.

Turkey's image was further damaged abroad after the Parliament voted to lift the immunity of six Kurdish deputies on charges of propagating Kurdish separatism, paving the way for their imprisonment in March.

A state security court on Tuesday arrested two more former Kurdish deputies who lost their parliamentary membership following the shutdown of their pro-Kurdish Democracy Party last month on similar charges.

Mr. Shattuck said he visited some of the jailed former deputies in Ankara.

"There is widespread concern in the United States, especially in our Congress, about their freedom of speech, their freedom of expression and the possibility that they have been jailed for speeches that they made in the United States when they were visiting our Congress," he said.

## WORLD BRIEFS

### IRA Shoots Down British Helicopter

BELFAST (AP) — IRA gunmen hit a Royal Air Force helicopter and forced it down Tuesday as tens of thousands of Protestant marchers, celebrating a centuries-old military defeat of Roman Catholics, brought Belfast to a standstill.

The Irish Republican Army gunmen hit the Royal Air Force helicopter as it lifted off from the Newtownhamilton army barracks near the Irish border, 45 miles (70 kilometers) southwest of Belfast. The craft, with a dozen soldiers and three crew members aboard, was struck in its tail, crash-landed and rolled onto its side, an army spokesman said. The midday attack injured no one seriously, police said.

It came as marchers from Northern Ireland's largest Protestant fraternal society, the Orange Order, marched in 19 towns across the British-ruled province to commemorate "The Twelfth," the day when 304 years ago a Protestant army under King William III routed the Catholic forces of King James II.

### Dissenters Strike Cripples Lagos

LAGOS (AP) — Business ground to a halt and strikers threatened Nigeria's all-important oil exports on Tuesday in the most dramatic show of dissent yet to General Sani Abacha's military government.

Banks closed, buses and ferries stopped running and people walking to work found their offices empty. Armed police began patrolling streets in Lagos. Few shops were open. Workers were reported staying home in several other cities throughout southern Nigeria, where opposition to the military dictatorship is strongest.

Most of Nigeria's commercial activity and all of the country's petroleum fields, which provide 80 percent of government revenue, also are located in the south.

### Ukraine Scoffs at G-7 Chernobyl Aid

KIEV (Reuters) — Ukraine's top nuclear official dismissed proposed Western aid to close the Chernobyl power station as a pittance Tuesday and vowed to keep the plant running until proper assistance was forthcoming.

The Group of Seven industrialized nations offered Ukraine \$200 million in immediate assistance to help shut the Chernobyl plant, site of the world's worst nuclear accident, in 1986, and to provide alternative energy.

"If it were \$200 billion, I wouldn't complain," said Mikhail Ustinov, head of Ukraine's nuclear power authority. "But \$200 million — that's less than 10 percent of what's needed." The director of the Chernobyl station, Sergei Parashin, pledged to continue safe operation of the plant, 150 kilometers (90 miles) north of here.

### India and Pakistan in Spy Dispute

NEW DELHI (Reuters) — An espionage dispute between India and Pakistan escalated Tuesday, with New Delhi expelling two Pakistani diplomats in a tit-for-tat move after Islamabad had taken similar action against an Indian diplomat.

The Indian government said it had told First Secretary Naseeruddin Ahmed and an embassy staff member, Azhar Khan Bajwa, to leave the country within seven days. India protested what it called the "unlawful detention and brutal torturing" by intelligence agents of an Indian diplomat, V.S. Channan, on Monday night in Islamabad. A Pakistan Foreign Ministry statement said Pakistani security agencies had detained Mr. Channan "while he was receiving highly sensitive documents from a Pakistani agent."

### A Crush in Colony for U.K. Passports

HONG KONG (Reuters) — Hong Kong professionals staged a huge, last-minute rush for British passports offered under a special scheme before the colony reverts to China in 1997, government figures obtained Tuesday showed.

Keith Kwok, the government official in charge of the scheme, said he did not believe the rush was related to anxiety about the handover. "If people are concerned about the future, they don't wait to the last minute to apply."

A total of 42,000 people applied for 13,000 passports available under the scheme, the figures showed. Hong Kong residents who did not apply for the fast-track British passport are entitled only to a British National Overseas passport, which serves as a travel document but gives no residency rights in Britain.

### Cambodia Protests Prince's Asylum

KUALA LUMPUR (AP) — Cambodia is unhappy with the presence in Malaysia of Prince Norodom Chakrapong, who fled here after allegedly leading a coup attempt, Foreign Minister Abdullah Ahmad Badawi said Tuesday.

Mr. Badawi gave no details. Prince Chakrapong, a son of King Norodom Sihanouk, arrived on July 3. He has said in a letter to Deputy Prime Minister Anwar Ibrahim that he was not involved in any attempt to seize power in Cambodia.

Mr. Anwar said the Malaysian cabinet would allow the prince to stay at least temporarily. Mr. Badawi did not indicate whether Malaysia would ask the prince to leave.

## TRAVEL UPDATE

### Bastille Day Strikes Set in France

PARIS (AFP) — Strikes by the staff of France's domestic airline Air Inter, air traffic controllers in Aix-en-Provence and technicians nationwide could disrupt French air travel over the Bastille Day holiday.

One-third of Air Inter's flights were canceled Tuesday. Air traffic controllers in Aix-en-Provence direct traffic in the south-east of France as well as to holiday destinations in Italy, the Costa Brava and the Balearic Islands.

The technicians declared a analysis of key services that would involve significant delays to flights on Wednesday and Thursday at Paris's Orly and Charles de Gaulle airports. This action will be continued the weekend of July 30-31, when many French leave for August vacations.

British's fifth 24-hour rail strike seemed certain to go ahead on Wednesday after more than 13 hours of talks between management and the union ended in deadlock. Another stoppage is planned for July 20.

Fourteen people were injured on Tuesday during the running of the bulls at Pamplona, Spain, during the eight-day festival. A Pamplona resident was in critical condition after he was carried 15 meters on a bull's horn. Nine people were treated for fractures and head wounds.

Kuwait will reduce charges on overseas telephone calls to 30 countries by around 15 percent next month. The cuts, mostly to Asian and European countries, take effect on Aug. 1. (Reuters)

Cholera was spreading rapidly in China's flood-ravaged southern provinces, with 618 cases reported in the last month, officials said Tuesday. (AFP)

Authorities in the Philippines warned Tuesday that an outbreak of cholera had spread to Manila, with 27 new cases in the area in the past week. (AP)

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# THE AMERICAS / AFTER THE DELUGE

## ★ POLITICAL NOTES ★

### Lawyers Overbilled Energy Department

WASHINGTON — Some of the largest U.S. law firms excessively billed the Department of Energy for legal work defending government contractors against class action suits, a congressional investigation has found.

The private nuclear weapons contractors passed through to the government the law firms' charges of \$175,000 for photocopies, \$48,000 for faxes and smaller sums for first-class airline tickets and business dinners for \$90 a person.

A scientific expert retained by one firm charged \$500 in consulting fees for time spent at a business dinner, according to findings that the House Energy and Commerce subcommittee on oversight and investigations plans to present at a hearing Wednesday.

The administrative and travel charges helped increase the government's legal bills to \$70 million for six lawsuits since fiscal year 1990, the Energy Department estimates. Of that, a case involving the Hanford nuclear weapons plant in Washington state cost \$29 million and is nowhere near a trial.

In the past, the Energy and Commerce Committee chairman, John D. Dingell, Democrat of Michigan, has used the oversight subcommittee to expose overcharges from defense contractors and from universities that conduct government-sponsored research. In this instance, Mr. Dingell plans to lay responsibility on the contractors, the law firms and the Energy Department. He will criticize the department for lax oversight, failing to set limits for legal charges and infrequent billing reviews.

### House Is Being Tight-Fisted With Clinton

WASHINGTON — Squeezed by the tight spending ceilings that were enacted last year to lower the budget deficit, the House of Representatives has approved only a fraction of the new money that President Bill Clinton sought this year for his main domestic initiatives.

In the appropriations bills it passed last month, the House voted, for example, to give the president only 30 percent of the increase he wanted for Head Start, only half the increase he requested for the main federal education program for poor children, and less than half of the additional money he wanted for his national service program.

Administration officials said they hoped that more of the extra money for what the president calls investments would be approved when the Senate this month takes up the appropriations bills for the fiscal year 1995, which begins Oct. 1. But they conceded that any improvements would be slight.

The House did about as well as could be expected, said Barry J. Toiv, chief spokesman for the Office of Management and Budget, "given how tight the spending freeze is and how difficult it is for the appropriators to make room for the investments." He calculated that the House approved about 60 percent of the \$44 billion in investment priorities that the president proposed in his budget last winter.

About one-third of the federal budget is controlled by the appropriations process. It involves what is known as discretionary spending, money that Congress allocates every year for items ranging from air conditioners to aircraft carriers. Half the \$1.5 trillion federal budget goes to entitlement programs. This money is automatically allocated to anyone who meets the qualifications. Nearly 85 percent of the entitlement money is spent for Social Security, pensions for federal workers, Medicare and Medicaid. The rest of the federal budget is spent for interest payments on the national debt. (NYT)

### Quote/Unquote

A headline in Roll Call, the Capitol Hill newspaper, after former Representative Nicholas Mavroules of Massachusetts was released from federal prison where he served a sentence for corruption: "Mavroules Set Free After 1 Year, Leaving No Ex-Members in Jail." (AP)

### Away From Politics

• A U.S. District Court jury in Anchorage, Alaska, was given the task of deciding how much commercial fishermen should be compensated for damages from the 1989 Exxon Valdez oil spill, worst in U.S. history. Some 10,000 fishermen — claiming lost harvests, depressed salmon and herring prices, permit values and ruined salmon and herring stocks — are seeking \$895 million from Exxon Corp. Eleven million gallons of oil were dumped on the shores of Prince William Sound and into offshore waters.

• Protesters in Tennessee blocked the entrance to the only U.S. nuclear plant currently under construction. Fifty-two demonstrators were arrested. The Watts Bar Nuclear Plant, 50 miles (80 kilometers) southwest of Knoxville, has been under construction since 1972. Management and safety problems have contributed to the delay.

• A California Highway Patrol officer was killed by a shotgun blast after stopping a stolen car near Bakersfield. It was the first slaying in the highway patrol in almost two years. The officer, Alan Maxwell, 33, exchanged shots with the occupants of the car, who escaped.

• Ron Carey, who became president of the nation's 1.4 million Teamsters on a pledge to uproot corruption, was cleared in New York City by an independent oversight panel of allegations that he had ties to members of organized crime. The panel also said it had found no evidence to support an accusation that Mr. Carey had engaged in improper financial deals.

• A U.S. mine safety inspector, Edward L. Kendrick, 57, admitted taking \$800 in bribes from coal mine operators as he entered a guilty plea in U.S. District Court in Pikeville, Kentucky. Two other inspectors were expected to plead guilty, and a fourth was headed for trial.

Reuters, AP, NYT

## AMERICAN TOPICS

### Rail Freight Traffic Is Picking Up Speed

Freight trains are making a comeback. The Washington Post reports. Truck companies are shifting long-haul trailers to rail flatcars; steamship lines move marine containers inland by rail; the Clean Air Act has produced a boom in low-sulfur coal.

In the first 22 weeks of this year, according to the Association of American Railroads, the total rail freight volume was up by 4.2 percent from a year ago, continuing a steady decade of growth that picked up speed beginning in 1987.

The Union Pacific chairman, Richard K. Davidson, says, "I see sustainable growth as far into the future as you can realize."

A chief reason for the rail comeback is the Staggers Act of 1980, which deregulated railroading.

The newly freed railroads cut back excess track and labor while investing in better track, more efficient locomotives and new computer systems.

Today, on less than 113,000 miles (185,000 kilometers) of route, about half

the mileage of 50 years ago, major railroads haul 30 percent more tonnage than at the height of World War II.

### Short Takes

Out-of-court settlements of lawsuits for malpractice or product defects that remain secret are a menace to the public, consumer advocates declare, because people don't find out about professional or products that could threaten their safety.

According to the Association of Trial Lawyers of America, at least 14 states have passed laws since 1985 requiring judges to consider public safety before sealing records.

The U.S. Congress and several other states are considering similar requirements.

Astronauts — tall and short alike — tend to grow by two or more inches in space because of an elongated spine, a phenomenon that is caused by the absence of gravity and often accompanied by back pain.

They revert to their normal heights once back on earth. Height limits for astronauts on the Space Shuttle are a minimum of 4 feet 10½ inches (1.48 centimeters) to a maximum of 6 feet 4 inches.

Eggs tarnish silverware because they contain sulfur. So do rubber bands,

which are vulcanized with sulfur compounds. Low-grade cardboard may also emit tarnishing fumes. Common silver polish and elbow grease can remove tarnish.

And according to The McGraw Hill Encyclopedia of Chemistry, tarnish may be removed chemically by heating the article in a dilute solution of table salt and baking soda, or by placing it in contact with a more active metal, like aluminum, which reacts with the sulfur and eventually leaves the silver clean; this may be done with a wad of aluminum foil placed in a dishpan of soapy water.

Midway, Fairview and Oak Grove are places that may sound familiar. And they should, The Associated Press notes.

They are the three most popular community names in the United States. A total of 549 communities bears one of them, according to the U.S. Geological Survey and the U.S. Board on Geographic Names.

Other names for at least 100 cities, towns, villages and subdivisions each are Five Points (145), Pleasant Hill (113), Centerville (109), Mount Pleasant (108), Riverside (106), Bethel (105) and New Hope (98).

Lincoln is the most popular famous person's name, with 45 places.

International Herald Tribune

## Georgia Assesses the Devastation as It Awaits River's Crest

By Peter Applebome  
New York Times Service

ATLANTA — Long after the muddy waters go down in Albany, after the stench of human waste and 300,000 dead chickens disappears from Montezuma, after workers start repairing 1,700 roads, 600 bridges and 100 dams damaged by flooding last week, the Southeast's answer to the Midwest flooding of last year will continue to haunt this battered state.

The waters were still rising Tuesday in the southwestern corner of Georgia, and officials in Bainbridge worked to move townspeople out of danger as they awaited the Flint River's record crest later this week.

But from Atlanta south, the area battered by the rains brought by the tropical storm designated Alberto, residents and officials were beginning to ponder the long-term effects of the worst flooding in Georgia's history.

The death toll was already heavy: 28 killed since the rain began a week ago, compared with 48 deaths attributed to last year's summerlong flood in the Midwest. And, as residents of the Midwest learned, the economic, environmental

and emotional damage was also certain to be severe.

Problems included industries that might be crippled for months, freight rail lines that were shut down by washed-out bridges that could take months to repair, and up to 1,300 hazardous chemical sites that were in the flooded area and had the potential to cause significant environmental problems.

"You know, I would like to be optimistic and say we'll get over this by spring," said Tommy Olmstead, the mayor of Macon, "but that's not the case. This is going to have years of effects on us. We have never had a disaster like this in Macon."

In the areas still inundated or where floodwaters were still rising, the present, not the future, was the main concern Monday. In Albany, the Flint River, which split the town in half and drove a quarter of the city's 80,000 residents from their homes, finally crested Monday, two days after officials had expected it would.

Downstream, the small town of Newtoos was almost completely inundated. Still waiting for the worst was the town of Bainbridge, the last

major town in the Flint's path, where waters were expected to crest Wednesday at 48 feet (about 15 meters), a record 23 feet above flood level.

At the Vigoro Industries fertilizer plant in Atlanta, the National Guard worked to build a 10-foot-high dike around a tank that held toxic ammonia. Officials said they were confident it would hold off the floodwaters, but they were prepared to evacuate the remaining residents in the area if it did not.

But in much of the state, people were beginning to dry out and get their first vivid glimpses of how long-lived the effects of the flooding will be. And officials at the Georgia Emergency Management Agency command post got help from someone well-versed in flooding: Ellen Gordon, director of the Iowa Emergency Management Agency.

"From what I can see, Georgia looks a lot like Iowa did last year," she said. "There are very few differences. The people here are dealing with exactly the same issues — public health, what to do about water, how to reach the people that need help."

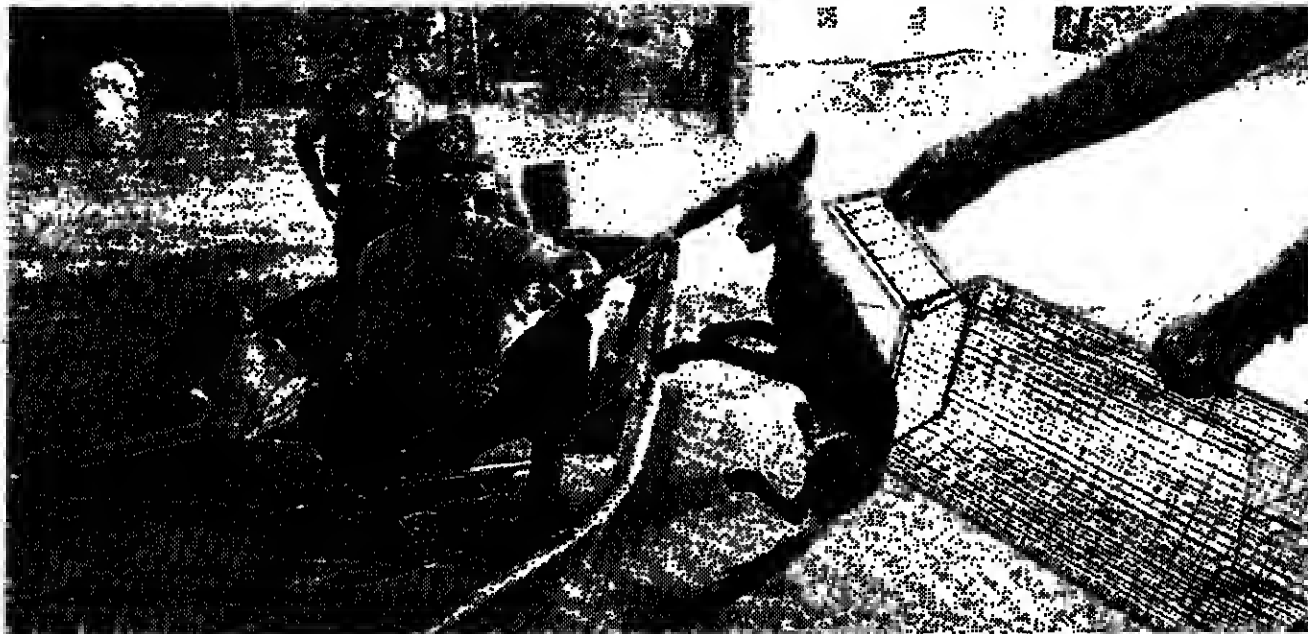
In Mootezuma, a town of 4,500 about 110 miles (180 kilometers) south of Atlanta, where the downtown was flooded last week, much of the water was gone Monday. But officials said they did not know how long it would be before the town would be habitable.

Even when the town becomes livable, residents will have to cope with the loss of the town's biggest employer, the Southern Frozen Foods factory, which had employed 550 people full time and an additional 150 during the summer growing season.

Another big worry was the disruption of rail service, the main avenue for many industries and farmers to get their products to market.

And for those evacuated and left homeless, the pain and heartache were only beginning.

"I've got my five children and a grandson, and all we got out was the clothes on our back and some socks and underwear for the children," said Teronice Harris as she sat on a cot Saturday at a shelter in Albany. "It is very hard to see where we go from here."



An animal-control officer handing over a fox that was rescued from the muddy floodwaters of the Flint River in Georgia.

## U.S. Finds Achilles Heel in Giant C-17 Transport

Los Angeles Times Service

WASHINGTON — The huge McDonnell Douglas C-17 cargo jet can land only on less than half the nearly 10,000 foreign airfields that the U.S. Air Force has claimed in justifying the \$43 billion program, according to the General Accounting Office.

Despite years of assertions by the Air Force that the plane has a revolutionary

capability to land and take off at unimproved air strips, the accounting office found that many of the foreign fields are too weak to support the weight of the C-17.

The plane has survived a number of technical setbacks, and it is too early to assess if the latest revelation will cause serious political damage to the program. The Air Force has said the planes will cost an average of \$325 million each over the

life of the program — by far the most costly cargo jet in history.

The C-17 is designed to land in less than 2,000 feet (610 meters), enabling supplies to be flown directly from cargo bases into foreign battle zones.

The military plans to use the C-17 in wartime on runways that, according to General Accounting Office officials, would cause serious damage after only 100 landings and takeoffs.

## Defense Lab Blush: Porn in Computers

Los Angeles Times Service

LOS ANGELES — Dramatically illustrating the security problems posed by the rapid growth of the Internet computer network, one of the nation's three nuclear weapons labs has confirmed that computer hackers were using its computers to store and distribute hard-core pornography.

Embarrassed officials at Lawrence Livermore National Laboratory in Livermore, California, which conducts classified research and has highly sophisticated security procedures, said the incident was among the most serious breaches of computer security ever at the lab, located east of San Francisco.

The offending computer, which was shut down after a Los Angeles Times reporter investigating Internet hacking alerted lab officials, contained more than 1,000 pornographic images. It was believed to be the largest cache of illegal hard-core pornography ever found on a computer network.

While hackers once devoted their efforts to disrupting computer systems at large organizations or stealing electronic information, they have now

developed ways of seizing control of Internet-linked computers and using them to store and distribute pornography, stolen computer software, and other illicit information.

The Internet, a "network of networks" originally designed to connect computers at universities and government research labs, has grown dramatically in size and technical sophistication in recent years. It is now used by many businesses and individuals and is often viewed as the prototype for the "information superhighway" of the future.

But the Internet has an underside, where so-called "pirates" with code names like "Mr. Smut," "Acidflux" and "The Cowboy" traffic in illegal or illegally obtained electronic information. The structure of the Internet means that such pirates can carry out their crimes from almost anywhere in the world, and tracing them is nearly impossible.

At Livermore, officials said they believed that at least one lab employee was involved in the pornography ring, along with an undetermined number of outside collaborators.

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## Ukraine's Next Step After Voter Rebuff: Tackle the Economy

By Steven Erlanger  
New York Times Service

KIEV — After using their democratic votes to throw out their first president, who was only halfway through his term, Ukrainians woke to a summer's day like any other.

Some worried about the fate of the nation; some worried about the freshness of the day's bread.

But in the corridors of the government, officials said, there was a kind of hushed panic in the face of the biggest prospective change in Ukraine since independence.

Leonid M. Kravchuk, the former Communist Party ideology secretary who led Ukraine to independence, stayed locked in his office, silent. He made no public comment on his loss Sunday in presidential elections.

One aide said brusquely: "If you want to find out what Mr. Kravchuk is doing, ask him yourself. He's now a simple citizen of Ukraine."

He will be president until July 19, when Leonid D. Kuchma, the former missile-factory director and prime minister, will be sworn in.

Mr. Kuchma kept his silence, after calls for national unity.

His aides said he was preparing for a news conference on Wednesday, in which he will try to begin to answer Ukraine's problems of a shattered economy, an east-west regional split, executive and legislative overlap and the future of Ukraine's relations with Russia, from energy dependency to the Black Sea Fleet.

Senior Western diplomats here think the election of Mr. Kuchma heralds the beginning of real change in Ukraine.

"Kuchma may not be as able a politician as Kravchuk," one said. "But he's more of a problem-solver. There may not be a comprehensive package of reforms, but Kuchma's more decisive, and he's going to try to come to grips with problems as he sees them — first the economy and then to show he's the president of all Ukraine."

But for a cozy and often corrupt power structure that has scarcely altered since Soviet days, except for the color of the flag on the wall, it's as if Kim Il Sung had died.

The results are so surprising, for everyone, a middle-rank-

ing official said, describing the scene. "People are talking in the corridors and walking around with downcast faces. No one's saying it, but everyone is so uncertain inside. You can see everyone fears for his position."

About Mr. Kravchuk, the official said: "He was so sure he would win. He even signed decrees in his last days and made promises to people. Perhaps after he gets over the shock and we get the final results, he'll be a good sport about it."

Yaropolk Kulchycky, local head of an American election monitoring foundation, sees the defeat of Mr. Kravchuk — and of Prime Minister Vyacheslav F. Kebich in neighboring Belarus — as voters' revenge on a holdover leadership that failed to provide economic stability and prosperity in addition to new flags and symbols of statehood.

"Basically nothing had changed except a big drop in living standards," he said.

Jan J. Brzezinski, a member of Parliament's advisory council, said the election reflected voters' "disillusionment," both with Mr. Kravchuk's careful nurturing of the status quo and with the West, which made promises of aid and support Mr. Brzezinski feels have not been kept.

"The election has reflected, even crystallized, the split between Europeanized Slavs in western Ukraine and the Russo-Slav vision of what Ukraine should be," Mr. Brzezinski said. "It's not ethnic polarization so much as different cultures, with a different view of where economic salvation might lie."

Some suggest the disillusionment is so strong in the nationalist west, centered around formerly Polish Galicia, that the world should worry less about Crimean separatism and more about "Galician separatism."

Some raise the example of the former Czechoslovakia, which split in the post-Soviet rubble. But Western diplomats believe that Mr. Kuchma, who has talked of a more federal Ukraine, will move quickly to try to calm the nationalists, who have nowhere else to go.

Russified eastern Ukraine, they say, is less interested in joining Russia than in getting Russian energy, raw materials and orders for its factories.

## Russia and China Sign Pact To Avert Military Mishaps

The Associated Press

MOSCOW — The defense ministers of Russia and China signed an agreement Tuesday to avert military accidents such as unintentional border crossings, jamming of radar, inadvertent missile launches and violations of airspace.

After years of tension between the neighbors, their relations have been improving recently and the new agreement is another step in that direction.

"We now have more contacts, more meetings, more confidence in each other," Defense Minister Pavel S. Grachev told the Itar-Tass news agency after a signing ceremony with his Chinese counterpart, Chi Haotian.



ALL WET — Peter Moore, a town crier in London, pouring a bottle of mineral water over his head to keep cool. The temperature was in the high 80s Tuesday in most of Britain and the rest of Western Europe. In Madrid, it soared to a scorching 106.

## Court Nominee Defends Ethics

### Breyer's Toxic-Waste Rulings Under Scrutiny

The Associated Press

WASHINGTON — The Supreme Court nominee, Stephen G. Breyer, defended himself Tuesday against allegations he may have acted unethically by ruling on environmental cases in which he had an indirect financial interest.

"I am confident that my sitting on those cases did not represent any conflict of interest," the U.S. appellate judge told the Senate Judiciary Committee as his confirmation hearing began.

A millionaire, Judge Breyer held substantial interests in Lloyd's of London, the insurer, in the 1980s while he was ruling in toxic-waste cleanup cases in which Lloyd's had its investors, although not directly involved, potentially had a financial stake.

The issue is not expected to affect Judge Breyer's chances — deemed by most as almost certain — of being approved by the 18-member committee and confirmed by the Senate. The hearing is expected to last through Friday.

"I believe he will be confirmed," said Senator Orrin G. Hatch, of Utah, the committee's ranking Republican, who

endorsed Judge Breyer even before he was nominated.

On Monday, White House officials released numerous documents in an attempt to discredit the conflict-of-interest reports. "He filed clear disclosure of all his holdings," Attorney General Janet Reno said on television.

The White House released a letter from Stephen Gillers, a New York University law professor and legal ethics expert, who concluded that Judge Breyer had done nothing illegal or unethical.

Judge Breyer was not asked about the alleged conflicts of interest. Bringing the matter up himself, he told the committee he was moving to divest himself of all insurance holdings and is attempting to get out of a contractual arrangement under which he is supposed to remain a Lloyd's investor until 1995.

Judge Breyer played down his scholarly pursuits. He has written numerous books and speaks three languages.

One member of the committee, Senator Edward M. Kennedy, Democrat of Massachusetts, Judge Breyer's home state, seemed determined to answer those critics who have la-

beled the nominee as too sympathetic to big business.

Judge Breyer's record in this respect has been under attack from the consumer advocate Ralph Nader, who said Tuesday that he "has an instinct for the big guy over the little guy."

Judge Breyer was nominated by President Bill Clinton to replace Harry A. Blackmun, who is retiring. Mr. Clinton cited Judge Breyer's abilities as a consensus builder. As a witness, Judge Breyer displayed some of the qualities that earned him that reputation, affably agreeing with the points being made by questioning senators.

Mr. Hatch asked him whether he saw a legal difference between graduation ceremony prayers led by students and those led by school officials. Rather than trying to duck the question by saying it's one likely to confront the Supreme Court, Judge Breyer answered that it sounded as if the prayer leader "would be a relevant fact."

In discussing his background, Judge Breyer said, "My mother did not want me to spend too much time with my books. My ideas about people do not come from libraries."

## Without Fanfare, Arafat Takes Reins of Power in Gaza Strip

By David Hoffman  
Washington Post Service

JERUSALEM — Yasser Arafat returned Tuesday to take up residence in the Gaza Strip and begin tackling the social, economic and rebuilding problems facing the Palestinian national authority.

Driving into Gaza from Egypt, Mr. Arafat got a muted welcome, in contrast to the thousands who came out to see him on his return from exile July 1. A few hundred Palestinians waited in knots along the roads but most Gazans simply ignored his arrival in a protected motorcade.

The celebrations are over and today the work starts, said Ississar Wazir, the Palestinian minister of welfare, whose husband, Khalil Wazir, was Mr. Arafat's deputy. Known as Abu Jihad, he was killed by Israeli commandos in 1988.

Mr. Arafat arrived in Gaza with his wife, Suha, and is expected to take up residence in the seaside Palestine Hotel until finding a villa.

Aides have said Mr. Arafat will move back and forth between the two autonomous zones, Gaza and the West Bank town of Jericho, but focus his attention on Gaza because of the problems facing Palestinians there.

"He must now stay a long time in Gaza until the work of rebuilding is developed," said Mrs. Wazir.

During more than a decade in Tunis as chairman of the Palestine Liberation Organization, Mr. Arafat was known for jetting around the globe while running the PLO almost alone.

Now that Palestinian self-rule is getting underway, critics have questioned whether he can change his habits and remain in Gaza to supervise the rebuilding while delegating authority.

His move to Gaza on Tuesday was a sign that he is serious about running the new authority, but even his allies said he would not remain in Gaza all the time.

"He will not be imprisoned in Gaza," said Mrs. Wazir. "He will have his international relations like any president."

Mr. Arafat was described by aides as tired after flying to Paris to receive an award following his homecoming here two weeks ago. He also toured the Persian Gulf states seeking money for the new Palestinian government and received a formal send-off from Tunis, which hosted the PLO after it was expelled from Lebanon in 1982.

In Egypt before his arrival here, Mr. Arafat told reporters, "Don't forget that the Palestinian infrastructure was completely destroyed during the Israeli occupation and we must start again from scratch."

On his arrival, Mr. Arafat reviewed a police honor guard and sped away in a limousine for a meeting with ministers in the national authority.

There are supposed to be 24 seats in the council but so far only half have been sworn in. Mrs. Wazir said two senior aides to Mr. Arafat, Yasser Abed-Rabbo, the communications minister, and Ahmed Qurei, the economics minister, are expected to arrive Thursday.

Sitting with Mrs. Wazir in the hotel ballroom, Mrs. Arafat said she would focus on issues concerning women and humanitarian needs in Gaza. On Friday, aides said, a group of about 50 Palestinian orphans from the Sabra and Chatila refugee camps in Lebanon are expected to arrive in Gaza from Tunis. The parents of the orphans were slain by Israeli-backed Christian militia-men during the 1982 Lebanon invasion.

## Italy Recalls Some Diplomatic Staff From Algeria as Violence Worsens

By Alan Cowell  
New York Times Service

ROME — Citing a "new and dramatic deterioration" in Algeria, Italy said Tuesday that it was reducing diplomatic staff and deploying more security personnel to guard Italian assets after a series of bloody incidents culminating in a shoot-out near the Italian Embassy in Algiers.

The Italian foreign minister, Antonio Martino, said in Paris that Italy and France had agreed to coordinate an evacuation of their nationals "if the worst was to come to the worst" in what appears to be an intensifying campaign by Islamic fundamentalists to chase away foreigners seen as supportive of the military regime.

The European concerns reflected increasing apprehension since seven Italian sailors were found with their throats slit in an Algerian port last week and seven more foreigners — four Russians, a Romanian and two people from the former Yugoslavia — were killed in the Algiers area Monday.

Four more people — two policemen and two assailants — died in a gun battle only 20 meters from the entrance to the Italian Embassy, Italian officials said.

"The situation in Algeria in the past few days has witnessed a new and dramatic deterioration with a series of attacks which knows no end," Italy's deputy foreign minister, Livio Caputo, told Parliament on Tuesday.

"As far as protection of our embassy in Algiers and our consulate in Annaba is concerned,

we have decided to dispatch more members of our armed forces," he said. "We have also decided to reduce our personnel at the embassy."

Since 1992, when the Algerian government annulled an election that the Islamic Salvation Front seemed set to win, more than 3,700 Algerians and about 50 foreigners have been killed in civil strife.

Italy says 750 of its nationals live in Algeria, a close trading partner, with 100 of them working in its oil- and gas-exploration sector.

With few energy resources of its own, Italy is the biggest importer of Algerian natural gas. Prime Minister Silvio Berlusconi used last weekend's G-7 summit meeting in Naples to urge the Algerian regime and its fundamentalist adversaries to negotiate a settlement.

At French insistence, though, a summit communiqué urging peace talks omitted any reference to the Islamic Salvation Front as a partner in negotiation. President François Mitterrand of France had argued that the choice of an interlocutor was up to the Algerian government.

The latest upsurge in violence has apparently inspired more than diplomatic concern.

After meeting his French counterpart, Alain Juppé, in Paris on Tuesday, Foreign Minister Martino said, "If the violent episodes were to become frequent and the security of our nationals was no longer guaranteed, we would have to think of eventually evacuating our nationals."

"I agreed with Juppé that if the worst was to come to the worst our efforts would be coordinated," he said.

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# Herald Tribune

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## A Harsh Bosnia Plan

It is no small diplomatic feat that America, Europe and Russia are aboard the same Bosnia peace plan, and trying to impose it, for the first time. Certainly they all share a desire to see the war put behind them, and their show of unity helps them reach that end. But what kind of plan? It is a plan for real ethnic partition within a paper Bosnian union.

The prospective new map is all odd blobs and erratic lines enclosing the Muslims and Croats combined 49 percent (up from their current 28) and the Serbs' 48 (down from their current 72), with a dab of 3 percent left over for an internationalized Sarajevo.

Bosnia's Muslims, who have suffered and lost the most in this war, would have come out much better if they had not repudiated their early acceptance of the European Union's similar "canton" plan in March 1992. But that was then. Now they are under allied pressure to take a map that gives them back some territory but leaves in Serbian hands a number of formerly Muslim cities and towns that the Serbs "ethnically cleansed." This harsh fact may dictate to the Muslim-led Bosnian government to reject this plan and continue fighting, even as it pretends to the outside powers — in order to induce them to lift their arms embargo on Bosnia — that it accepts their design.

Serbia the country is desperate to es-

cape from punishing international economic sanctions. It is desperate enough to be squeezing Bosnia's Serbian minority to take the allotted 48 percent — and to take a noncontiguous 48 that it would be obliged not to fold into a "Greater Serbia." But the Bosnian Serb leadership is a willful and craven bunch who may feel that the political cost of yielding even some part of the fruits of their bloody conquest would be loss of power. So the Bosnian Serbs have their own reasons to promise the allies compliance, but to cheat.

In fact, the Bosnia peace plan is a disaster. It does not at all touch the explosive issue of Serbia's grab of a (Serbian-populated) chunk of Croatia. In Bosnia, it engages the allies in the dirty business of writing ethnic cleansing into a political settlement. Since neither of the principal combatants is beaten or disarmed, the settlement looks quite unstable. That in turn bodes ill for a peacekeeping role by the United States, which has said it will police only a stable and safe peace.

Why lift economic sanctions prematurely on Serbia? Even if it delivers the Bosnian Serbs, it remains the thief permitted to keep a good part of the loot. Who is to tell the Muslims, error-prone as they are, that they cannot make their own choice to struggle for their lost homes?

— THE WASHINGTON POST.

## Under the Naples Carpet

Although the meeting of the world's seven largest industrial democracies in Naples last weekend was hardly a success, the immediate consequences of its shortcomings will be minor. The world economy, supposed to be the subject of the conference, is getting along rather well at the moment. But the whole affair was a troubling demonstration that nobody at the top is currently paying much attention to the ways in which these seven powerful economies affect each other and sometimes make trouble for each other, too.

The failure of Bill Clinton's trade proposal was characteristic of the best and worst of his foreign policy. It was a good idea in principle, designed to prevent the backsliding into protectionism that usually follows the completion of a major international negotiation like the Uruguay Round last year. Unfortunately, it was put forward hastily, at the last minute, apparently because the White House had not been paying much attention to the preparations for the Naples meeting and belatedly realized that it had little to put on the agenda. Efforts like this one succeed only with long and skillful preparation.

The seven displayed another kind of ineptitude in their plan for the Ukrainian reactors at Chernobyl. The Europeans are urgently anxious to get them shut down before another accident. For that purpose, the meeting offered the

Ukrainians up to \$200 million, the qualifying phrase "up to" being a signal that the seven reached no agreement regarding the precise amount of the money or exactly where it is to come from. In any case, \$200 million is a fraction of the amount required to close those reactors and replace them with safe ones.

As for the dollar and the yen, the seven were wise to say nothing. As long as the world's two biggest economies continue to run, respectively, the world's biggest trade deficit and its biggest trade surplus, stable exchange rates are too much to expect.

But exchange rates are not a trivial subject. During the past century there have been two periods of rapid economic growth, both at times when the world economy revolved around one stable currency. Before World War I it was the British pound; from World War II until the early 1970s it was the U.S. dollar. In the other years, when there was no dominant currency and no dominant government behind it to regulate the world's financial system, economies performed much less well even in the rich countries.

Now no currency is dominant, and the rich countries have not yet learned to manage their economic affairs in consistent cooperation. One important virtue of these annual summit conferences is to force the seven to keep confronting that neglected responsibility.

— THE WASHINGTON POST.

## Salvage the Sea Convention

Washington appears to have pulled the Law of the Sea Convention from the murky deep. Work on this global charter for the oceans began in the Nixon years and resulted in the most complex international instrument ever negotiated: 320 articles and nine annexes, most of them welcomed by the United States and other maritime nations. What sparked heated opposition was its creation of an international Seabed Enterprise to control mining on the ocean floor.

"Socialism run amok" and "Third World giveaway," charged the Reagan administration and its press supporters. But objections were practical as well, which is why no industrial country is a party to the convention.

Even so, enough nations have ratified that the convention will provisionally come into force this November. Anticipating that, major holdouts have been working for years with the United Nations to modify unacceptable provisions.

Although these talks are still under way, Secretary of State Warren Christopher feels that agreed-upon changes are already broad enough to warrant a U.S. signature on the treaty later this month. The General Assembly is expected to formally endorse submission of the changes to UN members. It would apply crown a great enterprise if the United States, having blown hot and cold, could finally ratify a treaty initiated by Lyndon Johnson and moved forward by Richard Nixon, Gerald Ford and Jimmy Carter.

The United States would benefit from the extension of coastal sovereignty from three to 12 miles, with full control of fishing and mining rights within a 200-mile zone. The Pentagon has welcomed

the convention's guarantees of right of transit through straits used for international navigation. Another gain would be strong language against overfishing, with provisions for settling fishing disputes.

American conservatives strongly dissent from the treaty's declaration that seabed wealth beyond territorial limits is the world's common heritage. It may be asked, if that wealth belongs to everybody, why anybody's permission is needed to reap it. The answer is that only an international regime can grant exclusive licensing rights that potential investors will prudently require.

Opponents of the treaty have objected that it would endow sweeping powers to a bloated new bureaucracy, set prices, limit production, mandate technology transfers and divert revenues into so-called liberation movements, all without giving a commensurate voice to the United States and other industrial states.

Realistic new provisions would give bigger countries a deciding voice, guarantee the United States a seat on the key finance committee, abolish annual user fees, prohibit mandatory technology transfers and cut onetime application fees for seabed exploration from \$1 million to \$250,000.

These are substantive concessions. The devil lies in the undersea details, which the Senate Foreign Relations Committee has a duty to scrutinize, especially unresolved provisions on royalties.

Demand may now be low for undersea minerals, but that could change quickly. All the more reason to improve rather than scuttle a treaty that the United States did so much to launch.

— THE NEW YORK TIMES.

## The Dear Successor Inherits a Doomed Dictatorship

By Andrew Mack

CANBERRA — After the death of Kim Il Sung, it seems almost certain that his reclusive son, Kim Jong Il, will continue the family dynasty. Is this good news or bad — or will it make very little difference?

There is much scuttlebutt about Kim Jong Il, but little of it is helpful. Old stories about his sexual predilections, capriciousness, vanity and hypochondria,

**No deal will resolve the basic dilemma Kim Jong Il faces.**

many of them the produce of an overheated South Korean rumor mill, are being recirculated. They tell us little about a person that almost no one outside North Korea has met.

We do know that the so-called Dear Leader was groomed for the top leadership for more than 20 years. It has been widely reported that he was linked to the spate of terrorist outrages perpetrated by the regime in the 1980s and is now in charge of the country's clandestine program to build nuclear weapons. Paradoxically, he has also been associated with tentative steps toward economic reform.

While the outside world is worried about the nuclear issue, the critical problem for North Korea is the state of its economy. The guiding principle of the country's politics for some 40 years has been *juche*, or self-reliance — a principle so associated with the elder Kim that it took on the status of a sacred taboo. It would have been inconceivable for the Great Leader to have abandoned *juche*, even though by the 1990s it had clearly become a recipe for economic disaster.

Kim Jong Il may be less emotionally and politically committed to *juche*, and with the departure of his father he will certainly be less constrained from attempting economic reform. The need for such reform is obvious. The North's economy is in free fall, after declines of around 4 or 5 percent a year since the start of the decade.

China, with its double-digit growth rates, offers the obvious model, although whether foreign companies would find North Korea a similarly attractive investment partner is far from clear.

However, economic liberalization is a two-edged sword for Kim Jong Il. It can

end industrial stagnation, but it can also undermine the power base of the regime.

Chinese-style economic reforms would involve a real devolution of economic power from the state. It is not necessary to be a Marxist to understand that economic and political power may be intimately related. Since Beijing is visibly less and less able to control China's economically booming south, it is not surprising that the idea of market reform should make Pyongyang's planners nervous.

Opening the North to foreign trade, visitors and investment — particularly South Korean investment — would mean breaking the hermetic seal that has surrounded the country for 40 years and denied its citizens any real knowledge of the outside world. The risks for a regime that depends for its survival on continued control of all power and sources of information are evident.

Seeking to avoid these dangers, Pyongyang has been moving with extreme caution on the reform front, thus avoiding the instability risks of market opening. However, the types of reform that the regime envisages will be too few and too late to arrest the country's economic collapse. The economy is currently shrinking at a rate of about 50 percent per

decade. No government can survive this sort of hemorrhage indefinitely.

The nuclear issue is only tangentially related to the economic crisis. The regime will not give up the nuclear option because without it North Korea would be reduced to an insignificant international status comparable to that of Albania.

Kim Jong Il may be able to cut a deal to freeze the nuclear program at current levels, at which the North probably has the capacity to make one or two crude bombs if it has not already done so. It would cap the program in exchange for economic and other concessions, especially from the United States and South Korea.

But no such deal will resolve the basic dilemma that Pyongyang faces. Kim Jong Il may see the problem more clearly than his father, but he, too, will be unable to resolve it. Whether he chooses radical reform or presides over continued economic decline, the result will be the same: the ultimate demise of the dictatorship.

The writer, professor of international relations at the Australian National University in Canberra, is the author of "Asian Flashpoint: Security and the Korean Peninsula." He contributed this comment to the International Herald Tribune.

## The Threat From Space, and Things That Can Be Done About It

By Von R. Eshleman

PALO ALTO, California — On Saturday, fragments of the comet Shoemaker-Levy 9 will begin smashing into Jupiter at about 200,000 kilometers an hour. The largest piece is likely to strike with explosive energy exceeding the potential of all the nuclear weapons ever made.

It may even be as forceful as the object that hit Earth at the end of the Cretaceous period 65 million years ago and apparently led to the extinction of most living species, including the dinosaurs.

Shoemaker-Levy 9 will give scientists an unprecedented chance to advance knowledge about the kinds of cosmic crashes that threaten Earth. Regrettably, the U.S. government has been less than enthusiastic about financing scientific observation of the event.

After Shoemaker-Levy 9 was discovered in March 1993, the National Science Foundation and NASA asked scientists for proposals on observing and investigating it. The organizations supported only a fraction of the ideas offered, and no new government money

was authorized. It all had to be diverted from other budgets.

Jupiter will be under intense scrutiny next week, even though the collisions will occur on its far side. The impact sites will rotate into view in less than an hour, so lasting effects can be studied by

observers on Earth and in orbit. The crippled Galileo spacecraft will have a direct view of the far side and the explosions.

Additional resources could have been put to good use for new types of observational equipment and for monitoring a broader range of radio frequencies for indications of changes on Jupiter.

Why should we be so interested? On a typical day, our planet collides with more than 100 tons of space debris in pieces so small that they pose little threat to Earth's surface. But much larger collisions also occur.

On June 30, 1908, an object — probably a comet fragment — the size of a 15-story building slammed into the atmosphere over

the Tunguska River in Siberia with an explosion 2,000 times as powerful as the atomic bomb that devastated Hiroshima. Statistically speaking, another collision with an object that large is likely during the next several hundred years.

Of course, a collision with a much larger body — like the largest fragment of Shoemaker-Levy 9 — is extremely unlikely in that time frame. Still, a cosmic visitor is like the lottery: Earth could be a target any time. And an event similar to that of the Cretaceous period could mean the end of civilization and perhaps the extinction of our species.

Fortunately, a planetary defense against all serious collisions may be feasible.

Some initial steps were taken by astronomers and other scientists who published the Spaceguard Survey for NASA in 1992. The report recommended an observation program with a relatively modest start-up cost of around \$15 million that would catalogue

and track asteroids that cross and come close to Earth's orbit.

There are thousands of asteroids with which we could conceivably collide, and we know the orbits of only a small fraction of them. But because paths are relatively fixed, once an asteroid is identified its potential for collision with Earth can be calculated.

A much more difficult problem lurks in the outer fringes of the solar system, where trillions of comets dwell undetected.

As many as 10 new comets randomly enter the inner solar system each year and are discovered as they are heated by the sun, which gives them their characteristic tails. Because of their high speed and unpredictable paths, the time available to detect a collision-course comet would be much less than for an asteroid.

How can we defend ourselves against these lethal cosmic objects? The required efforts vary from the straightforward — a greatly expanded comet and asteroid watch — to the formidable: developing a new "star wars" type

of technology to deflect collision-bound asteroids and comets.

In principle, booster rockets could carry and detonate atomic explosives to divert or break up a threatening body.

For the first time in the history of the human race, we can conceivably mount a planetary defense. The United States need not foot the entire bill for this cosmic alarm system. All of Earth's inhabitants have a stake in a planetary defense.

America should initiate an international cooperative program for the ultimate defense of our planet and persuade the United Nations to oversee the effort, just as it has coordinated the Earth Summit of 1992, and other attempts to avert environmental tragedy. Earth's defense should be undertaken now with a realization that the endeavor will have no end — unless it fails.

The writer, professor emeritus of electrical engineering at Stanford University, contributed this comment to The New York Times.

## Palestinians and Israelis, Side by Side Into an Unknown Future

By Abraham Rabinovich

GAZA — The streets are unkempt as ever and Arabic graffiti still cover virtually every wall, but Gaza is a transformed city. The place of suppressed emotions that gave it its surrealism has disappeared with the Israeli pullout two months ago. The arrival of Yasser Arafat as leader in residence has stabilized a surreal situation created by the overnight end to 27 years of occupation.

"This place is going to be another Paris" is a phrase one hears repeatedly, as if some irresistible podder of dreams had passed through the alleys of Gaza, alleys coated with drifting sand and neglect.

It is a time for dreaming, an interval of calm and mind-drift between a stormy day just ended and a new one whose nature is not yet apparent. A moment when everything is still possible. Mind-sets of a lifetime have been set aside, albeit without easy retrieval if needed.

Among Palestinians reveling in a hitherto unknown "normality" — masters, almost, of their own fate — the sense of

pride is palpable. There is an ease about them that makes Israeli reporters who venture into the Gaza Strip, with armed Palestinians on every hand, feel safer than they did when Israeli soldiers patrolled the sullen streets.

The Israeli-Palestinian divorce, even though it is not yet finalized, is freeing both sides from the psychological imperative that obliged them to regard each other as mortal enemies.

Israeli television and, to a lesser extent, print media have played a major role in the past year in de-mystifying the Palestinians, including those who were the backbone of the intifada. The public has been introduced to these figures emerging from detention camps, exile or hiding and seen them to be articulate, distinctive, generally sympathetic personalities. Most speak good Hebrew, learned either while working in Israel or in Israeli prisons.

For the average Israeli listening to them express hopes for coexistence, the subliminal message is that the enemy is a human being, not that much different from himself. This does not make him less a potential enemy if interests clash, but it does render him, for the first time in the eyes of many Israelis, a potential neighbor.

Even Yasser Arafat has emerged into the Israeli consciousness with a human aspect — an eccentric and not uninteresting personality, shrewd enough to have survived against all odds, plainly the only Palestinian leader at this stage with whom Israel can hope to make a sustainable deal.

The Israeli right wing staged a mass rally in Jerusalem earlier this month around the slogan "Stop Arafat the arch murderer." The rally drew some 100,000 people, but almost all were from the religious right. The slogan plainly failed to stir the bulk of right-wing voters, let alone the left.

Israelis and Palestinians are at a subtle, shifting interface. The majority of

Palestinians, in whose name the PLO speaks, profess a readiness to waive their claims to the whole of the land and to settle down in peace alongside the Jewish state. There are few Israelis, even in the ultra-liberal wing, who do not believe that in the back of their minds the Palestinians still hope that one day, perhaps generations hence, the Arabs will succeed in ridding the Middle East of this "foreign intrusion, as Israel is labeled.

The Palestinians, for their part, are conscious of Israel's power and aware that it will use it massively if it feels itself threatened.

Thus, while both sides are relaxed enough to contemplate coexistence, they are aware that tribal interests may one day transform the other side, Bosnia-style, back into a mortal enemy. Into this ambiguity, with the maturity bequeathed by living with dilemmas that have no solutions, Palestinians and Israelis march side by side toward what awaits them.

International Herald Tribune

## The Welfare State Will Stay, but It Will Have to Be Streamlined

By Robert J. Samuelson

WASHINGTON — The major industrial countries have embarked on a modest recovery. After two years of slump, Europe's economy seems to be growing at a 2.5 to 3 percent annual rate. Japan shows faint signs of recovery, and the U.S. expansion continues. The bad news is that a normal recovery will not cure the deeper problems of these rich democracies. All face a collision between welfare politics and growth economics.

Almost no one wants unfettered free markets. But rigid markets suffocate economic growth. Politics specializes in distributing benefits and protecting people against hardship. By contrast, strong economic growth requires that people take risks and adapt to change. New companies replace old; new industries and technologies alter spending patterns. The democratic dilemma is that voters everywhere expect their governments to deliver both prosperity and security. This is a hard, often impossible feat.

Europe has coped least well. Joblessness is now approaching 12 percent. France's unemployment rate is 12.7 percent, Spain's 23.9 percent, Britain's 9.5 percent. Governments have tried to guarantee high incomes and social stability, but the resulting heavy taxes and cumbersome regulations deter hiring and new business. Generous welfare benefits encourage people to stay unemployed.

Consider: In France, the combination of a high minimum wage and steep payroll taxes makes it nearly twice as costly for companies to hire low-skilled workers as in the United States.

In Italy, companies can hire only from state employment agencies (private agencies are banned) and must hire 15 percent of workers from a list of "disabled" and another 12 percent from a list of "disadvantaged."

Payroll taxes — to finance unemployment, health, disability and pension programs — are as high as 30 to 50 percent of wages. (The comparable U.S. rate is 19.3 percent.) There are also big mandated labor costs. France requires seven weeks of paid time off (five weeks' vacation plus 10 paid holidays); in Germany and Belgium, required time off is about six weeks.

By U.S. standards, unemployment benefits are high and last much longer. In some countries (the Netherlands, Spain, Denmark), workers receive about 70 percent of lost wages; in many others (France, Belgium, Norway), the replacement rate is about 60 percent. In the United States it is about 25 percent.

In the Netherlands, disability laws are so generous and lax that a seventh of the labor force receives disability payments, although the Dutch are no less healthy than anyone else.

Social justice is not advanced by foolish economics. If you make it too expensive to hire people, companies won't. If you pay people not to work, they won't. The damage is not done by any single policy but by the collective impact of many costly policies. In Europe there has been little net private job creation in two decades. As recently as 1974, the unemployment rate was 3 percent.

In Japan the problem is no longer workable, because Japan's massive trade surpluses have pushed up the yen's value and

made Japanese cars, machinery and consumer electronics more expensive. In 1994, Japanese exports will grow by only 1 percent, the OECD estimates.

Japan earns more dollars abroad than it spends. The imbalance in foreign exchange markets, as exporters change dollars for yen, raises the yen's value. This will continue until Japan increases its imports by stronger domestic spending and more open markets.

There's the rub: spending is hobbled. A cumbersome distribution system raises consumer prices. Inefficient farmers produce expensive foods and oppose imports. Cartels collude on prices and restrict imports. Archaic zoning laws raise land values and impede housing construction.

All these practices dampen domestic spending, but all enhance the well-being of strong vested interests (farmers, small storekeepers). Japan's brand of welfare politics has been to protect these privileges. The effect is to subvert economic expansion.

In the United States, the Clinton administration acts as if it can enact a new tax here and a new program there without having any effect on the economy. It proposes a massive new payroll tax in the form of mandated employer-paid health insurance.

The spirit in Congress is similar. There is little recognition that, as in Europe and Japan, the rising burdens of government may accumulate over time and slowly sap the economy's vitality.

What unites the leaders of the major industrial democracies is a reluctance to face these problems. But the danger in avoiding them is

a vicious circle of slowing growth and rising political conflict.

As growth falters, the cost of government welfare rises. This increases tax rates or budget deficits, which further impedes growth. Governments are then torn between breaking past promises (by withdrawing benefits) and sustaining their economies (by maintaining existing policies).

Europe is already caught in this trap. Governments are striving to reduce budget deficits and spur economic growth by trimming some welfare benefits. But the cutbacks are small and unpopular, precisely because people are so used to being protected.

Sweden recently lengthened

the waiting period for "sick" benefits by a day. Absenteeism dropped sharply. A lot of previously "sick" people found that they were well enough to work.

What leaders should do is use the economic recovery to eliminate the least justifiable government spending and regulations. These changes are hard now, but they will be much harder later.

No one is going to dismantle the modern welfare state. It has become too much a part of the social fabric of too many nations. But someone has to save the welfare state from itself. If it becomes its own worst enemy.

The Washington Post

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1894: A Powerful Quake

CONSTANTINOPLE — Earthquake shocks continued to be felt here in the night. Details of the havoc caused Tuesday last [July 10] show that the disturbance extended over a wide area. The shock was felt in the interior of Anatolia for a distance of 236 miles from Constantinople. Nearly all the railway stations have been damaged, and the town of Jalo, on the Gulf of Ismid, has been almost totally destroyed.

### 1919: Police Ultimatum

PARIS — The strike fever has spread again in the Paris policemen, six thousand of whom assembled yesterday [July 12] and passed resolutions demanding higher pay and a number of other advantages. The policemen decided to send an ultimatum to the authorities, stating that unless

granted satisfaction before this time next week they will make a peaceful demonstration at the City Hall and in the courtyard of the Prefecture of Police. Should this prove ineffectual, they will definitely go on strike July 22.

### 1944: Ingenious Warfare

WITH AMERICAN FORCES IN FRANCE — [From our New York edition.] Something new was added to warfare during the last few days. Ingenious young members of an American tank outfit broadcast two fifteen-minute programs to the Germans with amplifiers right in front of the enemy lines. They had men who could speak German, Polish and Russian, and they also had a harmonica player. The Germans got so hot under the collar that they gave away the position of four of their guns, which were promptly silenced.

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## OPINION

## McCarthyism in the Pentagon

By James Webb

ARLINGTON, Virginia — In looking for someone to head U.S. military operations in the Pacific, one could hardly have found an officer more qualified than Admiral Stanley Arthur, who until recently was the nominee for the job.

A highly qualified hero of two wars has been dispatched ingloriously to early retirement.

Admiral Arthur was a Distinguished Flying Crosses while flying more than 500 combat missions in Vietnam, then commanded the allied naval armada in the Gulf. His Pentagon experience is exemplary, including high-level budget planning, nearly three years as chief of the navy's logistics system and two years as vice chief of naval operations.

After Admiral Arthur was nominated for the Pacific command, Senator David Durenberger of Minnesota indicated that he would raise questions about the treatment of a constituent, a female officer who claimed that the navy treated her unfairly when she failed flight training after accusing an instructor of sexual harassment.

Admiral Arthur's only role in the case was that of final reviewing officer. He approved findings that although the woman, Lieutenant Junior Grade Rebecca Hansen, had been harassed — the navy had already disciplined an instructor — she failed to qualify as a pilot because of a poor flight record. The inspectors general of the navy and the Defense Department agreed with this finding. Navy Secretary John Dalton approved a recommendation that the navy prepare to discharge her.

Key senators told the Pentagon that Admiral Arthur would be approved for his new command but that because of Mr. Durenberger's "hold" his confirmation might be delayed.

Then on June 24 the navy said in a statement that Admiral Arthur "agrees with Chief of Naval Operations Admiral Mike Boorda" that his nomination should be withdrawn because an "anticipated delay in Senate confirmation" would not permit "a prompt relief" for Admiral Charles Larson, the current commander in the Pacific.

Admiral Arthur is to be retired as soon as his job is filled.

The navy's explanation was disingenuous at best.

Admiral Larson's new assignment is not time-sensitive; in fact, it awaits Senate action.

It has been widely reported that Admiral Boorda is less concerned about a delay in Admiral Arthur's confirmation than about becoming ensnared in another sexual harassment scandal. Even Mr. Durenberger's key staff assistant said that he was "flabbergasted" by the decision to end Admiral Arthur's 37-year career in such a manner.

More important, this episode raises serious questions about Admiral Boorda's fitness to be chief of naval operations and demonstrates the Clinton administration's lack of regard for military leaders.

Admiral Boorda has gained a reputation for political expediency. In 1992, when he was chief of personnel, he summarily relieved one of the navy's brightest young admirals, Jack Snyder, after the initial revelations about the Tailhook scandal. Admiral Snyder, who had gone beyond what was required in his efforts to assist the key female witness and urge an investigation, was not even allowed to defend his actions.

This abandonment of a deserving officer in the face of a political attack did not hurt Admiral Boorda's chances for advancement, which may well have encouraged his shoddy treatment of Admiral Arthur.

Admiral Boorda disregarded Secretary Dalton's recommendation to discharge Lieutenant Hansen and went to Great Lakes, Illinois, to meet with her. She presented him with 10 demands, including that the navy rewrite her fitness reports using words of her choosing. Also that they send her to law school at the navy's expense and then assign her to work as a lawyer handling "women's issues," and have the navy secretary officially apologize to her.

According to The New York Times, Admiral Boorda responded by offering her a job on his personal staff. She did not accept it.

Under any standard of leadership, Admiral Boorda's conduct is seriously deficient on several grounds: disloyalty to deserving subordinates, faulty judgment, usurping the authority of the secretary of the navy, and the Clinton administration's handling of this event. Once his nomination was withdrawn, Admiral Arthur was the president's candidate; it was not within Admiral Boorda's jurisdiction to withdraw.

Yet after the withdrawal we heard no word from either the secretary of the navy or the president, and Defense Secretary William Perry said he had decided not to intervene.

On July 1, the administration announced that Vice Admiral Richard Macke, a capable but far less experienced officer who had been slated to replace Admiral Arthur, would be nominated to the Pacific command.

Thus a three-star officer is to be placed in the navy's most prestigious four-star billet, partly because his paperwork was already in the White House. The casual way in which the administration has dealt with command replacement for a theater where war could be imminent indicates either naïveté or arrogance. And it is a grim omen for the future of the U.S. military when competent warriors are sent home by political admirals.

The writer was assistant secretary of defense and secretary of the navy in the Reagan administration. He contributed this comment to The New York Times.



## LETTERS TO THE EDITOR

## Japan and World Trade

Regarding "The World Trade Organization Is Unlikely to Work" (Opinion, June 27) by Karel van Wolferen:

According to Mr. van Wolferen, the primary issue that has undermined the global trade regime is "the incompatibility of institutions that characterize the economies of main participants," and the World Trade Organization will not be able to cope with this.

I disagree that the difference in the behavior of economic institutions is as problematic as Mr. van Wolferen indicates. Nor do I share his skepticism that the WTO will be ineffective in coping with such "incompatibilities."

In arguing that the Japanese economic system is incompatible with other economies, Mr. van Wolferen says that Japanese companies are "encouraged" to export regardless of profit, but does not say who is encouraging them to engage in such irrational behavior, nor what the incentives are. He asserts that Japanese companies' transactions are "ultimately directed by the attainment of shared, long-range expansionary goals," without mentioning what those goals are. The only evidence he presents in his article is Japanese companies' continued massive exports at a time of the year's sharp appreciation.

He seems to suggest that the more Japanese companies export, the more money they lose. That is not true. Corporate earnings may have declined due to sluggish growth of domestic demand in Japan, but the assertion that "the prices they realize do not cover fixed costs, much less return a profit" is untrue.

In my view, Japanese companies' export efforts are precisely the same as all businesses seeking a profit. In response to the yen's appreciation, they are trying their best to reduce the cost of production by, among other things, relocating their production bases to Southeast Asia. If the public and private sectors are in collusion for protectionist purposes, as Mr. van Wolferen seems to assert, why does the Japanese government let this "hollowing out" of Japanese industry occur?

Japan is undergoing tremendous social and political change. Problems identified by Mr. van Wolferen, such as the loose administration of antitrust law, are now passé. Japanese consumers are much more price-conscious than they used to be, and discount shops that try to break away from keiretsu ties are full of customers.

Regarding the World Trade Organization's ability to deal with institutional issues, if a country is violating WTO rules by, for instance, subsidizing its exports, other WTO members can seek remedy through the enhanced dispute-settlement mechanism. Mr. van Wolferen searched to believe that this mechanism is effective only when there is a clear violation of rules, but that is not the case.

Mr. van Wolferen does not worry about a problem that does not exist. The current form of the World Trade Organization should not be scrapped.

ICHIRO ARAKI  
Tokyo

The writer is deputy director of the Trade Policy Planning Office in Japan's Ministry of International Trade and Industry.

## Reconsider Switzerland

Over the years Switzerland has declined to join the United Nations and the European Community. Not long ago, the Swiss voted against making even a few hundred troops available for UN peacekeeping missions. While refusing to undertake these basic obligations of membership in the world community, the Swiss are quite happy to benefit financially from the many international organizations choosing to locate within their borders. Shouldn't the host country's attitude count when the site of an important international organization — such as the World Trade Organization — is determined?

YEHUDA LEVY  
Jerusalem

## Dining With a Dictator

Regarding "Heckled, China's Leader Shuns Germans" (July 9): To see a dictator like Prime Minister Li Peng squirm when faced with a free populace, as represented by the anti-Beijing protesters in Germany, is delicious. But I would dearly love to know: When one is at an official dinner for a politician who has ordered the deaths of hundreds of his fellow citizens, what does one discuss? The Tiananmen massacre might be a sensitive subject. Perhaps small talk about the weather or the merits of the soup? Is there some arbiter of good taste who can give us guidance?

MALCOLM W. DERMIT  
Geneva

## Clarifying a Dispatch

It has come to my attention that the International Herald Tribune published a story ("Rabbi Answers One of Arafat's Prayers," June 25) which stated that The Jerusalem Post, of which I am president and publisher, printed an article titled "Killing Yasser" on June 24. Our newspaper later published a clarification, to wit: "In Jerusalem," a weekly distributed by The Jerusalem Post

in the Jerusalem area, is an advertising supplement that operates independently and is distributed free of charge. But its linkage in the public's perception with The Jerusalem Post obliges us to publicly dissociate The Post from a column in the weekly which was titled "Killing Yasser." Although intended as a satire, the article was in extremely bad taste. Our apologies to readers who were offended, as we were.

YEHUDA LEVY  
Jerusalem

## Dining With a Dictator

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MALCOLM W. DERMIT  
Geneva

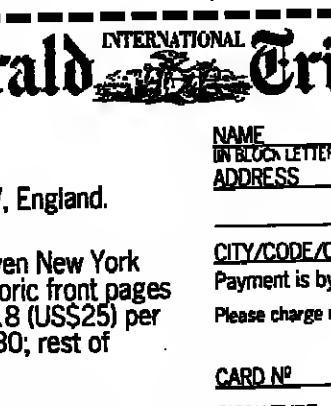
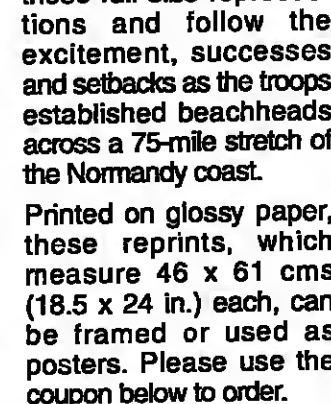
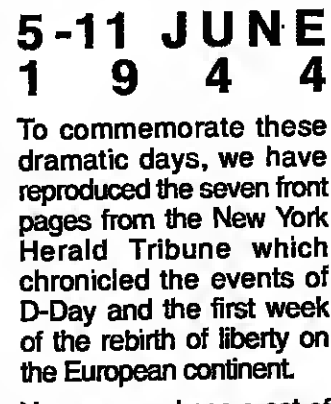
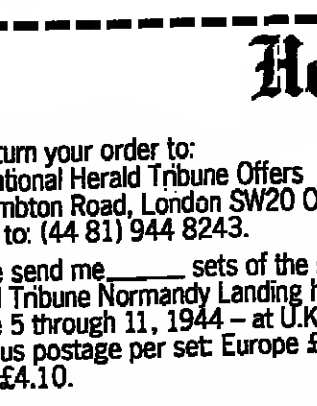
## SEVEN DAYS THAT CHANGED THE WORLD

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## BOOKS

LIKE HIDDEN FIRE:  
The Plot to Bring Down the  
British Empire  
By Peter Hopkirk. 431 pages.  
\$25. Kodansha.

Reviewed by Luree Miller

FANS of espionage fiction take note: Here is history that reads like a thriller. "Like Hidden Fire" relates the astonishing true story that was the inspiration for John Buchan's 1916 novel "Greenmantle."

With consummate skill, Peter Hopkirk hews a strong narrative line through the tangle of agents that emanated from the World War I plot by the Germans and Turks to instigate an Islamic jihad (or holy war) against the Russian and British empires.

Hopkirk knows this territory from London to Kabul to Delhi, from Berlin to Baghdad to Baku. And espionage is his specialty.

Like all good historians, he is an imaginative detective. Mining newly opened archives and memoirs, he follows every lead to intriguing connections.

A group of German agents, making their way from Berlin to Constantinople, posed, as a traveling circus, hiding their wireless aerials in their tent poles. More common German covers for mapping and intelligence gathering in Persia and Arabia were archaeology and anthropology, professions better suited to the terrain and more up-to-date than the favored British cloak of botany.

But, in the great tradition, the best of the British secret agents opted to disappear under deep disguises as local tribesmen. Fluency in arcane dialects and mastery of tribal customs were essential for survival. Several of these agents were models for Buchan's heroes.

The climax of "Greenmantle" is the battle for Erzerum,

the ancient, impregnable garrison that guarded the overland approach to Constantinople, seat of the Ottoman Empire. Hopkirk's account is as vivid as the novel's.

Despite all the evidence that Hopkirk has been able to uncover, a mystery remains as to why this hitherto invincible fortress fell to the Russians. Perhaps, he concludes, Buchan's fictional rendering of a stolen staff map and Arab treachery against the sultan may be as close to the truth as anything.

Equally mysterious is the figure of Captain Edward Noel of the British intelligence, whom Hopkirk suspects was the model for Buchan's elusive hero, Sandy Arbuthnot. Noel, who was fluent in Persian, Arabic and Russian, engaged in smuggling large quantities of rubles from Tehran in 1918 to the chief of the British military mission in Tiflis (now Tbilisi), Georgia. The rubles were used

to pay anyone fighting against the Bolsheviks in Baku. Noel was captured by Persian tribesmen, made a hair-raising escape, then was recaptured and not heard from again. But Hopkirk has discovered, he actually lived to a ripe old age.

Reginald Teague-Jones, another long-lived agent in this saga, disappeared in 1922. Hopkirk's search revealed him in a second life as Major Ronald Sinclair, active in British intelligence, who died in 1988 at 99.

"Like Hidden Fire" is a riveting sequel to Hopkirk's splendid earlier account, "The Great Game." Together, the two books illuminate the passions and the prizes implicated in today's turbulent events in the Middle East and Central Asia.

Luree Miller, an author and travel writer who has recently visited Central Asia, wrote this for The Washington Post.

## BEST SELLERS

THE NEW YORK TIMES	LAST WEEK	THIS WEEK
1 THE CHAMBER, by John Grisham	1	5
2 THE CRISTINE PROPHET, by James Redfield	2	19
3 THE CROSSING, by Cormac McCarthy	3	3
4 THE ALIENIST, by Caleb Carr	5	13
5 THE WATERWORKS, by E. L. Doctorow	13	2
6 THE BRIDGES OF MADISON COUNTY, by Robert James Waller	7	100
7 INCA GOLD, by Clive Cussler	4	9
8 OH, THE PLACES YOU'LL GO, by Dr. Seuss	4	138
9 REMEMBER ME, by Mary Higgins Clark	6	11
10 POLYTIKALLY CORRECT: BELIEVE IT OR NOT, by James F. Garner	16	3
11 Q-SQUARED, by Peter De Vries	9	3
12 MISTRESS, by Amanda Quick	15	4
13 DOWNTOWN, by Anne Rivers Siddons	1	1
14 THE FIRST OF GOD, by Frederick Forsyth	10	10
15 NIGHT PREY, by John Sanford	7	12
1 THE AGENDA, by Bob Woodward	1	3

## Dining Out

PARIS 2nd	PARIS 13th
<b>AUX LYONNAIS</b> Traditional bistro cooking in authentic 1900 decor. Excellent wines & mineral waters. 32, rue St. Marc. Tel: (1) 42 95 05 04.	<b>BASTILLE DAY AT THE PARIS HILTON</b> Buffet dinner at LE TOIT DE PARIS Soleil, moon and the Eiffel Tower. A choice of specialties including salmon, lobster and beef etc. FR 490 drinks not incl. Paris Hilton 18, Av. de Suffren T. 423 92 00
<b>NEW FURSTENBERG</b> American restaurant of the 30's. Tues, Thursdays, 12:00-1:30 lunch menu 68 FR. 7 days and week from 8 am to 9 pm. Facing St-Germain-des-Près. 22, rue Cassagne. Paris. Tel: (1) 42 86 00 88.	<b>CHEZ FRED</b> One of the oldest bistros of Paris. French traditional cooking. 170 FR. 48. Paris. Nevers. Tel: (1) 45 74 20 48.
<b>YUGARAJ</b> Housed on the best Indian restaurant in France by the leading media (see conditions) 14, rue Dauphine. T. 43 26 44 91.	<b>LE CLOS SAINT-MARIE</b> and its beautiful terrace, on a pedestrian walk. Gains atmosphere Traditional cuisine, near Eiffel and Paris Moulin 1, place Charles Fillet. Tel. 46 72 30 31.
<b>LA PETITE CHAISE</b> Delicious cuisine at the oldest restaurant in Paris. Menu 177 FR. 36, rue de Gravelle. Tel: (1) 42 22 13 25. Open in August.	<b>DA MEO PATACCA</b> Traditional Sicilian food for lunch and dinner. 00153 Rome. Tel: 93.7.58331096.
<b>THOUMIEUX</b> Specialties of the South-West. Confit de canard & cassoulet au cresson de canard. Air conditioned. Open everyday and weekends. 19 rue St-Germain. Tel: (1) 47 05 47 73. New location Tervin.	<b>KERVANSARAY</b> Turkish & Levantine specialties. Lobbier bar, best musical restaurant. 1st floor. Moulin 9. Tel: 2120843. Air conditioned. 80m. Open: Noon 3 pm & 6 pm-1 am, except Sunday. Open holidays.
<b>PARIS 6th</b>	
<b>Le LA ROCHELLE</b> Le poisson et le fruit de mer ont toujours été les spécialités de ce restaurant. 10, rue de la Harpe. Tel: 47 01 40 11.	



## HAITI: Latest Act 'Validates' Plan

Continued from Page 1  
senior official traveling with Mr. Clinton as "preparing for any contingency."  
At least 2,000 U.S. Marines have been sent to the helicopter carrier *Inchon* and three other navy ships off Haiti, ostensibly in case Americans living on the island need protection.  
Tensions escalated on Monday when Haiti's military-backed government ordered all 100 members of a joint United

Nations and Organization of American States mission to leave by Wednesday. The group had been monitoring human rights conditions in the country.  
"Throwing the monitors out is just the latest expression of the desperation of that illegal regime and their desire to hide their conduct," Mr. Clinton said. He added that he hoped the action would "stiffen the will of the international community to support the United States in the strongest possible enforcement of the sanctions."  
The United Nations has imposed trade sanctions on Haiti, and the United States has imposed its own additional pressures. Although Canada and other countries have joined the ban on air traffic to Haiti, France has continued its service.

## BEACH: Guns and Sand

Continued from Page 1  
growing movement to restrict access.

Some towns want to close beach parking lots at sunset. Laguna Beach is the only town in Orange County that hasn't set a beach curfew, deciding to step up police patrols instead. Most of the curfews have been put into place by local governments, without approval from the California Coastal Commission, which guards the right of public access to the beach.  
For the first time in its 22-year history, however, the commission approved two curfews this spring — for a one-tenth of a mile stretch of beach in Coronado, near San Diego, and for several miles in Long Beach. Safety concerns led to the actions.

Peter Douglas, executive director of the commission, said he worries about the pressure for more curfews. Although there has been an increase in fights and gang activity at the beach, he said, some of the reports have been exaggerated.

Recently, Kevin Sutherland, a machine shop foreman from Huntington Beach, was warming up for his regular game of beach volleyball. He is 33. The game he has been playing here for 13 years is about the only thing that hasn't changed.

"It's a lot more crowded," he said. "It's people from everywhere — a lot more cultures. There's a lot more roles, a lot more attitude."

### MEMORIAL NOTICE

A memorial service will be held for  
**John PHILLIPS**  
on Wednesday, July 13,  
at 15:00  
at the American Cathedral,  
23 avenue George V, Paris 8.



TAIWAN PROTEST — Anti-nuclear activists in Taipei attempting Tuesday to disrupt a parliamentary debate on a nuclear project. More than 15 persons were injured during the demonstrations, which drew a crowd of 4,000.

## GERMANY: High Court Clears the Way for Military Missions Abroad

Continued from Page 1  
strikes over the Balkans. The constitutional provisions authorizing German participation in collective security organizations like NATO, the Western European Union and the United Nations meant that Germany could also take part in their operations abroad, the eight judges agreed.  
Four judges argued that NATO and the WEU had broadened their charters so far as to make them unrecognizable, moving from defense against a Soviet military threat to "out-of-area" operations to deter or halt new threats.

The implication of this view, which had no legal effect because the four other judges on the panel opposed it, was that the treaties establishing both organizations really ought to be debated and ratified anew.

The heart of the decision Tuesday was the court's finding that explicit parliamentary approval, by a simple majority, was needed for all German armed military missions.

"The constitution obliges the federal government to seek enabling agreement by the German Bundestag, as a rule in ad-

vance, before committing the armed forces to action," it ruled, and Mr. Kohl's government had violated it by going ahead in Somalia, and over Bosnia without getting approval.

Social Democratic legislators here pointed out that the court had merely required German governments to do what American ones have had to do ever since the Vietnam War.

The difference is that when parliamentary governments cannot muster a majority of legislators to support their policies, those governments usually fall.

## CLINTON: 100,000 Berliners Cheer as President Hails City as a Symbol

Continued from Page 1  
ing between East and West and Checkpoint Charlie helped resettle refugees.

"I say to all of you, the members of the Berlin Brigade: America salutes you!" the president proclaimed to the troops as they stood at attention in the broiling sunshine at McNair Barracks. "Mission accomplished."

At the Brandenburg Gate, where a giant video screen displayed subtitles of his speech in German, Mr. Clinton stood with Chancellor Helmut Kohl

in what was once no-man's land beyond the wall.

"We stand together where Europe's heart was cut in half and we celebrate unity," he said. "Berliners, you have won your long struggle. You have proved that no wall can forever contain the mighty power of freedom."

It was through the Brandenburg Gate, topped by a four-horse chariot and the Iron Cross, that Napoleon's troops marched after defeating the Prussians in 1806, and through which the Prussians returned in

victory after the Battle of Waterloo.

Columns of Hitler's Brown Shirt supporters mounted a torchlight parade through the gate on the night of Jan. 30, 1933, after he was named chancellor.

When the city was divided after World War II, the gate was put just inside the Soviet Sector, a line that was marked in concrete when the Berlin Wall was built in 1961 and the gate blocked off.

And it was here that thousands of jubilant Germans gathered to celebrate the fall of the wall in 1989.

From a platform, where he looked into the drab apartment blocks of the former East Berlin and could see a graffiti-splattered stretch that remains of the wall, Mr. Clinton invoked that proud and bitter history.

In every age, he said, the gate "has been a symbol of the time."

"But in our own time," he went on, "you, courageous Berliners, have again made the Brandenburg what its builder

meant it to be — a gateway. Now, together, we can walk through that gateway to our destiny; to a Europe united; to a world united in freedom, united in progress for the first time in history."

Knowing that Mr. Clinton's speech would inevitably be compared with President Kennedy's 1963 "Ich bin ein Berliner" address, White House officials left it to Mr. Clinton to decide at the last minute what, if any, sentences he would render in German.

In what was described as an acceptable accent, Mr. Clinton spoke twice in German, to the delight of the crowd.

"In the name of the spirits at Checkpoint Charlie who stood face-to-face with enemy tanks, in the name of every American president who has come to Berlin, in the name of American forces who will stay in Europe to guard freedom's future — in all of their names, I say, 'Amerika steht an' — their Seite, jetzt und für immer,'" Mr. Clinton promised. "America is on your side, now and forever."

## PARADE: 'Hope of Tomorrow'

Continued from Page 1  
will also be taking part in the parade.

General Guignon said he hoped that as these troops paraded down "the most beautiful avenue in the world," the people of France and Paris will see them "less as the inheritors of the Europe of yesterday than as young men carrying the hope of the Europe of tomorrow."

The German Army entered Paris on June 14, 1940, and paraded down the Champs-Élysées for the first time on June 18. That same day, the French heard for a call to resistance from an army officer in London of whom no one had heard, Charles de Gaulle.

This time, there will be no goose-stepping Prussians on the Champs-Élysées. The German soldiers, who belong to a unit formed after the war, will ride in armored vehicles. Nevertheless, they will be more prominent than the French have been led to believe, since the vehicles are distinctly marked with the black and white military cross,

which closely resembles the World War II Iron Cross.

The Bastille Day parade comes after criticism of the Eurocorps by the French Senate committee on defense and foreign affairs, which called the unit, created last year, largely symbolic.

But the commander, General Helmut Willmann, rejected this criticism, saying that the Eurocorps will be fully operational for every type of mission by Oct. 1, 1995.

The Eurocorps received a boost on Tuesday with the ruling by Germany's Constitutional Court that German troops can take part in missions abroad. The Eurocorps is intended for possible action anywhere in Europe, or for UN-approved missions outside of Europe.

The Bastille Day parade also marks the fifth anniversary of the bilingual, 5,300-member French-German brigade, which forms the backbone of the widely scattered Eurocorps.

## Even West's Spies Find North Korea A Guessing Game

By T. R. Reid  
Washington Post Service  
SEOUL — Nobody outside North Korea really knows what is going on inside.

"What we know about that country," a U.S. specialist said Tuesday, "is incomplete and unreliable. Our sources of information are erratic and unreliable. We probably know less about North Korea than about any other serious foreign policy concern in the world."

Since very few North Koreans ever get out of the country, and few foreigners are allowed in, most normal channels of information do not exist.

Instead, the outside world relies on various forms of spying, both high-tech and low, on reports from a relative handful of foreign diplomats and travelers in the country, on a fairly thin flow of defectors who manage to escape the police state and on whatever information North Korea chooses to provide by radio and television broadcasts.

North Korean broadcasting is the most common source of information, experts say, but it is also one of the least reliable.

TV and radio broadcasts, mainly propaganda films or music interspersed with news reports from the state-run Korean Central News Agency, are on the air about eight hours a day. Depending on reception conditions, they can be monitored in South Korea, China and Japan.

To try to check the spotty information, available from North Korean analysts and broadcasting, outside analysts routinely talk to the handful of foreigners living in North Korea — ambassadors from about a dozen countries, a few journalists from Russia and China and some workers from international aid agencies.

A small trickle of foreign travelers also gets into North Korea. But these visitors rarely get a full look at North Korean society, being restricted mainly to certain neighborhoods of Pyongyang, the showcase capital city, and three designated tourist sites.

Generally, when foreigners have reason to travel out of Pyongyang, the government puts them in a car or train leaving the city after midnight, so they pass through the country-side in darkness.

Several thousand people from Japan visit North Korea by cruise ship each year, bringing cash and goods to relatives in the North who are not able to leave the country.

Some of these visitors will

talk about what they have seen, but most decline, for fear their relatives will face repercussions.

It is possible to call foreign diplomats in Pyongyang — not from South Korea, but from some other countries. But people are cautious about saying anything because they know the conversations are monitored.

A very small number of North Koreans — fewer than 10 in an average year, South

### NEWS ANALYSIS

Korea says — manage to flee the tightly guarded state and take asylum here.

The defectors frequently tell amazing tales about depravity, ruthlessness and corruption in Pyongyang's ruling clique. Most of the stories now floating in the Western press about drinking and womanizing by Kim Jong Il, the heir-apparent, come from these defectors.

But many of the stories they tell are looked upon with doubt by Western analysts.

"By the time the defectors' stories come out, these people have been under the control of South Korea, which would want to smear the Kim regime," said a Western diplomat in South Korea. "We're not confident that all these apparently crazy stories from defectors can be trusted."

Finally, the U.S. and other nations routinely watch North Korea by various means — spy satellites, spy planes and even a network of binoculars and infrared viewers set up in the hills overlooking the North-South border, the most heavily fortified border on earth.

The outside world has reportedly relied largely on spy satellites to watch progress at the North's nuclear research facility in the deep mountains at Yongbyon — where North Korea is evidently storing plutonium, the key fuel of nuclear weapons.

Some experts say there are humans spies as well in North Korea reporting to the West, but officials here will not say anything on that point.

For all that, though, analysts who have made a career out of studying North Korea basically throw up their hands in frustration when asked to how much they really know.

"The place is a deep, deep mystery," said a senior Western specialist here. "For almost any question about the country or its leaders, the honest answer is, 'We don't really know.'"

## Nuclear Freeze Holds, Northern Official Says

TOKYO — North Korea will adhere to the nuclear freeze promised by President Kim Il Sung before he died, a senior North Korean diplomat said Tuesday.

During an interview in New York by the Japanese news agency Kyodo, Kim Su Mun, deputy permanent North Korean representative at the United Nations, said his government would keep its nuclear program frozen as part of the deal arranged with the United States as a condition for negotiations.

A third round of talks opened in Geneva last Friday on a positive note, but was suspended until after the funeral of President Kim Il Sung, which will be on Sunday.

The United States agreed to the meetings last month after former President Jimmy Carter visited Pyongyang and won a pledge from Kim Il Sung to stop his country's nuclear program pending negotiations.

The North Korean diplomat said that International Atomic Energy Agency inspectors would be allowed to remain at a reactor in Yongbyon, north of the capital, Pyongyang, and

that spent fuel rods taken from the reactor would not be reprocessed.

The U.S. Department of State has said that any resumption of objectionable aspects of the nuclear program, such as steps to reprocess fuel rods to extract plutonium, would require Washington to end the Geneva talks.

Since the death of President Kim late last week, the North Koreans have made a number of moves to ease concern in the outside world. A major concern has been whether the late dictator's son and chosen successor, Kim Jong Il, would continue the limited opening to the outside world begun by his father.

At the Geneva talks, the United States and North Koreans are discussing a package of issues that could lead to increased security on the Korean Peninsula.

The issues under discussion in the talks include North Korean measures to assure the world that Pyongyang's nuclear program will never be diverted for military uses. Other subjects involve steps by the United States to normalize diplomatic relations with North Korea and also to extend its economic aid.

## KIM: After Leader's Death, 'Confused Letdown' in Seoul and Washington

Continued from Page 1

United Nations over his refusal to grant international inspectors access to North Korea's nuclear installations, where Mr. Kim was believed to be developing nuclear weapons.

There was fear that North Korea had produced some plutonium, the key component in nuclear bombs, and that it was about to produce more from fuel rods recently removed from a reactor near Pyongyang. The government, in fact, had removed those rods in open defiance of an order from the International Atomic Energy Association.

The war of nerves had reached the point where South Korea and the United States had decided recently to seek economic sanctions against Pyongyang, an act that North Korea warned could trigger a war. At no time in recent years had Mr. Kim looked so ominously.

And then suddenly last month, following the mediation of former President Jim-

my Carter, Mr. Kim softened his position. He agreed to hold an historic first summit meeting with the South Korean president, Kim Young Sam, and to hold high-level negotiations with the United States. In turn, the United States eased some of its demands.

South Korean officials had gotten as far as working out details on security and communications for the meeting in Pyongyang, which had been scheduled to begin July 25. And the North Korean negotiator had just held the first preliminary meeting with his American counterpart in Geneva, in a mood described as amiable. Both those diplomatic initiatives have been postponed in the wake of Mr. Kim's death.

It was a postponing, if tentative start, some modestly hoped signs after nearly five decades of hostility. Nevertheless, it appears to have had a big impact on the thinking of officials here and in Washington.

South Korean leaders, especially Presi-

dent Kim Young Sam, have been conspicuous in saying little publicly. They have foregone an historic opportunity to articulate their judgments on Kim Il Sung's bitter legacy and the lessons to be drawn from it.

Han Sang Joo, the foreign minister, said he hoped the new leadership would "keep alive the recently created momentum," as though the weight of history was already behind this short-lived opening.

And in North Korea, too, there are signs of a change in attitude, if temporary.

North Korea has all but abandoned its ferocious diatribes toward Seoul and Washington in its official media. The huge speakers blaring anti-American propaganda at the Demilitarized Zone have stopped the tirades. The North Korean media even reported approvingly the expression of condolence from President Bill Clinton, who has generally been vilified in the past.

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Trainer Mark Wiener with the 9-month-old panda cub Simo on the set of "Little Panda" in Tibet.

## Movie Star Billing — for Pandas

By Fionnuala Halligan

**J**IUZHIGOU, Tibet — Every morning in Jiuzhiagou, Tibetan villagers send the yaks out to graze, out on their finest beads, and stroll straight onto a Hollywood film set. It has already been a month since Warner Brothers started filming "Little Panda" in this mountainous national reserve, situated on the remote border of Sichuan Province and Tibet. But still the villagers sit silently and watch every day.

Occasionally, they are delighted to work as extras — even though these isolated people won't allow themselves to be photographed by a traditional camera. The daily wages are more than a month's earnings, and there's the opportunity to work with a panda.

The producers of "Little Panda" have accomplished major feats since they started production on June 13. They transported all the equipment plus 200 cast and crew members 7,000 feet (2,135 meters) up into the mountains after permission to use army helicopters was denied. Each trip through the mudslides and bandit territory takes a minimum of 15 hours and can last up to three days. They also secured permits to shoot in one of Asia's most treasured scenic areas and reconstruct a deserted Tibetan village. But the most remarkable feat of all was a casting coup — getting two panda cubs to star in the film.

Seven scientists from Woolong Captive Breeding Center jealously guard the time of nine-month-old Simo (a male panda) and six-month-old Moon (female). The bears are allowed to work for four hours every day — making their time more precious than that of the film's child star, 11-year-old Ryan Slater. He stops work at 3

P.M. each day, and then the rains usually start, ensuring that director Chris Cain has "not shot what you'd term a full day's work yet." Still, he is on time, and under budget (which is set at \$18.5 million).

"And I have footage of the pandas that I never thought we could get," said Cain. "That's thanks to Mark Wiener."

Wiener, a Vancouver-based animal trainer and bear expert who guided the furry star of "The Bear," is the first Westerner ever to train a panda. "I went to Woolong to see the cubs before we started shooting, and I knew immediately it would be possible to train them," said Wiener. "I just didn't know how much." Normally, Wiener uses "positive reinforcement" to train animals — usually food rewards — but these two pandas are fed strictly every eight hours, with no snacks permitted.

"The bears are extremely precious to the Chinese, to us all," said Wiener. "And baby pandas are hard to keep alive. The main worry is during the first six months. Moon and Simo are through that danger period now, but we still have to take care. Because I can't use food, the only way to get them to come to me is to play with them. So I take them out every day and give them a good time. I let Simo chew on my arm. Moon is much more placid — she just likes to sit around and play by herself. But they both love being out. Pandas are neat, soft animals. They're slower than a black bear or a grizzly, mainly because they have no predators except man. They would never retaliate."

Simo and Moon are living signs of Woolong's success after a shaky start. The breeding station now has 21 pandas in captivity, including eight sub-adults, and anticipates up to three more births this year. Only Chengdu and Beijing zoos sur-

pass the Woolong birth rate, giving some hope for the future of China's endangered panda population, which now stands at an estimated 1,200 in the wild. Actors in panda suits and remote-controlled robots stand in for the real-life bears during "Little Panda's" dangerous scenes.

Simo and Moon play only one screen bear, however, named Jahni/Johnny. Ryan Slater's character has to help his reserve warden father (played by Stephen Lang) by rescuing the baby panda from poachers. For the purpose of the film, Simo is the "running bear," while Moon takes the part of the "holding bear."

**C**AIN describes "Little Panda" as an action-adventure film for the family. "Everything in this movie is positive. The only negative part is that the pandas are disappearing," he said.

"I'm not presumptuous enough to think that I can change the plight of the giant panda," he added. "But I think this film will do more to awaken people to what a panda bear really is than anything else."

"We're all here in the middle of Tibet, the very outskirts of Chinese civilization, crammed into two small hotels. It's not easy on the crew. But when I go into the villages, I've never seen so many happy, laughing, welcoming faces before in my life. We've had no problems getting approvals to shoot. It takes time and you have to pay for it, but Jiuzhiagou is the equivalent of Yellowstone National Park and you'd never get permission to shoot there."

"Most of all, I'd like to make a film that this country would be proud of."

Fionnuala Halligan is a journalist based in Hong Kong, specializing in film.

## LONDON THEATER

# Even With the Staging Flaws, 'The Seagull' Works Its Magic

By Sheridan Morley  
International Herald Tribune

**L**ONDON — John Caird's revival of "The Seagull" at the National is in many respects — notably the casting — admirable. But having assembled such expert Chekhovians as Edward Petherbridge, Norman Rodway and Anna Calder-Marshall (and for minor roles), we did not need to be told that the director and designer had this sort of notion that it might all be taking place in a series of Victorian framed landscapes.

Chekhov gives us the frame here, and it alone is perfectly adequate. True, Judi Dench is awkward casting for Arkadina — her wholly natural, low-key and even self-effacing stage presence is in direct contrast to the over-the-top old thespian — while Bill Nighy's Trigorin also lacks the selfishness and the cynicism of the opportunistic novelist. Equally, Helen McCrory misses the true despair of Nina, and Alan Cox ill-prepares us for Konstantin's suicide. Yet so strong is the rest of the playing that we can live with these central problems, even in Pam Gems's new translation, which is rather too briskly modern and in fact wildly unnecessary, given that we have a definitive Michael Frayn version of considerably more elegance and expertise.

Yet Chekhov survives, even in those moments when Caird looks as though he would rather be doing a revival of "A Little Night Music." In truth, the Olivier stage is too spaced out for so intimate a drama, but even

there the magic of this elegy for humanity still comes through. At the Hampstead, "A Collier's Friday Night" is perhaps of more importance to biographers and theater historians than audiences. Written when D. H. Lawrence was only 24, but not published for another 25 years, it dates from 1909 and is arguably where modern working-class drama begins. But that doesn't make it a great play. If anything, it's a dramatic pencil sketch for "Sons and Lovers," with the sensitive miner's son and the too-doting mother and the inchoate, drunken father all neatly in place as if awaiting a major novel rather than a minor domestic drama.

John Dove's production struggles for intensity, especially in the scenes involving Edward Peel as the father, old before

his time, back from the pithead to realize that his family alternately despise and fear him. Barbara Jefford is his possessive wife, possessive not of him but of the son whose college education has already taken him out of her reach, while Dominic Rowan and Kate Ashfield are the young couple already priggishly in love and aware that home is no longer where their hearts are.

You have only to read the memoirs of pit children like Evelyn Williams to realize how wonderfully accurate Lawrence is in his portrayal of families torn apart by education and the lack of it, and of men suddenly aware that they have sacrificed their lives for wives and children who despise their sacrifice. Nothing much happens in "A Collier's Friday Night" except

for the sketching of these great divides between poetry and the pithead, between mother-love and burgeoning filial ambition to get out and get on.

At the King's Head in Islington, we have a considerable curiosity: Fanny Burney's "A Busy Day," last seen in London 200 years ago and now generally reckoned to be the missing link from Sheridan to Pinter. The theory rests on the fact that this is a late Restoration comedy with heart. Like many of the comedies that preceded it in local theatrical history, it's about class and money and the fact that most of its characters have one without the other, but Alan Coveney's production blows away the dust as a large, inventive cast comes up with a spirited theatrical romp on this minuscule stage.

Once again it has been left to a free-

lance director on a derisory budget in a pub theater to do the kind of detective work for which the subsidized companies have entire literary management departments, and it is now hard to see why "A Busy Day" slipped through their nets. These reclamation jobs are usually left to Sam Walters at the Orange Tree in Richmond, where long experience means a rather more assured production and company than is available at the more eclectic King's Head. Nevertheless, a team of 14 works with considerable panache through the heat to achieve a style that can best be considered as Jane Austen on speed.

This is to some extent a moral fable about the clash between new money and old breeding, but its plot would not have disgraced an 18th-century Ben Travers.

## 'Roméo': Coup for Opéra Comique

By David Stevens  
International Herald Tribune

**P**ARIS — Although the 19th-century French operatic repertoire seems to have been suffering from tired blood for a long time, especially on its home ground, it may be that all it needs for resuscitation is a few outstanding voices, some dramatically intelligent staging and firm and sympathetic musical direction.

That would be one reasonable conclusion from the latest appearance of Gounod's "Roméo et Juliette," which has been packing the Opéra Comique and reaping prolonged ovations. This production comes from Toulouse, where it was first seen earlier this season, but it is being coproduced with the Comique and, in the fall, goes on to London's Royal Opera.

The vocal star, and a revelation for the audience at the Salle Favart, was Roberto Alagna, a 30-year-old French tenor (of Sicilian descent) with no evident vocal problems and many assets. This is a strong lyric voice with a touch of high-quality metal, bursting with health and virility and handled with seemingly natural musicality.

Alagna has been singing the Italian and French lyric repertoire around Europe for a little more than five years, and all the evidence is that this is a career about to go into orbit. He attracted serious notice when he sang Alfredo in the 1990 La Scala production of Verdi's "La Traviata" under Riccardo Muti.

Staying so far within the mainstream repertoire, he has done numerous "Bohèmes" and earlier this year added Gounod's "Faust" in Montpellier and the Duke in Verdi's "Rigoletto," another Muti La Scala production. Paris gets its next look next season, when he is scheduled to sing Edgardo in the Bastille's new production of "Lucia di Lammermoor."

Alagna also is good-looking and moves with ease on stage, so he and the Italian soprano Nuccia Focile, the fragile and



Nuccia Focile and Roberto Alagna in "Roméo et Juliette."

passionate Juliet, made a most credible and attractive pair of young lovers.

Michel Plasson and his Orchestre National du Capitole de Toulouse were another element of musical strength. Plasson conducted with a sure hand and evident affection to which the orchestra responded amply. In supporting parts, the veteran Michel Trempont brought sure style to his duties as Capulet, and Doris Lamprecht as the page Stéphano and Andrew Schroeder as Mercutio made solid contributions.

Nicolas Joël's staging injected convincing movement and vigor into what could easily be a static opera, creating fight scenes and love scenes of credible violence and passion. Carlo Tommasi's sets and costumes were more earthbound, although flexible, vaguely Italianate elements of mobile gothic architecture.

It is not necessarily just sentiment to believe that giving the work in the relatively modest confines of the Salle Favart made a positive contribution. A work like this would be lost in the vastness of the Bastille, although it had a long career in the Palais Garnier once it was introduced there in 1888 under the high-powered vocal auspices of Adelina Patti and the de Reszke brothers.

But there is an affinity between Gounod's unaggressive lyricism and the warmth of smaller theaters. In any case, Gounod wrote all his successes for the relatively intimate Théâtre Lyrique, and all his flops for the grander spaces of the Opéra. There may be a reason.

There has recently been a quiet change in the direction of the Opéra Comique. Pierre Médecin is the new director, succeeding Thierry Fouquet, who has run it with ingenuity born of a shoestring budget since it newly began an independent existence in 1990. Fouquet has been called to the Opéra Bastille, where the transition is being prepared for the new leadership of Hugues Gall.

## Show Pays Homage to French Comic

By Thomas Quinn Curtiss  
International Herald Tribune

**P**ARIS — Jérôme Savary, director of the Théâtre de Chaillot, is presenting "Pierre Dac, mon maître soixante-trois" that is dedicated to the French comedian. Dac died in 1975 after an amazing career as entertainer, philosopher, poet and patriot.

Dac (his real name was André Isaac) was born in Châlons-sur-Marne in 1893 and arrived in Paris when his father opened a butcher shop in La Villette. The son mastered the violin, but his left arm was injured in action during World War I and he was obliged to forget his musical ambitions.

After the war he took any job available: taxi driver, soap salesman, sandwich man, delivery boy. He began writing sketches for chansonniers inspired by the humorous

butcher's slang that his father used. His first cabaret appearance, in Montmartre's La Vache Enragée, was the beginning of an exceptional journey through the next decades.

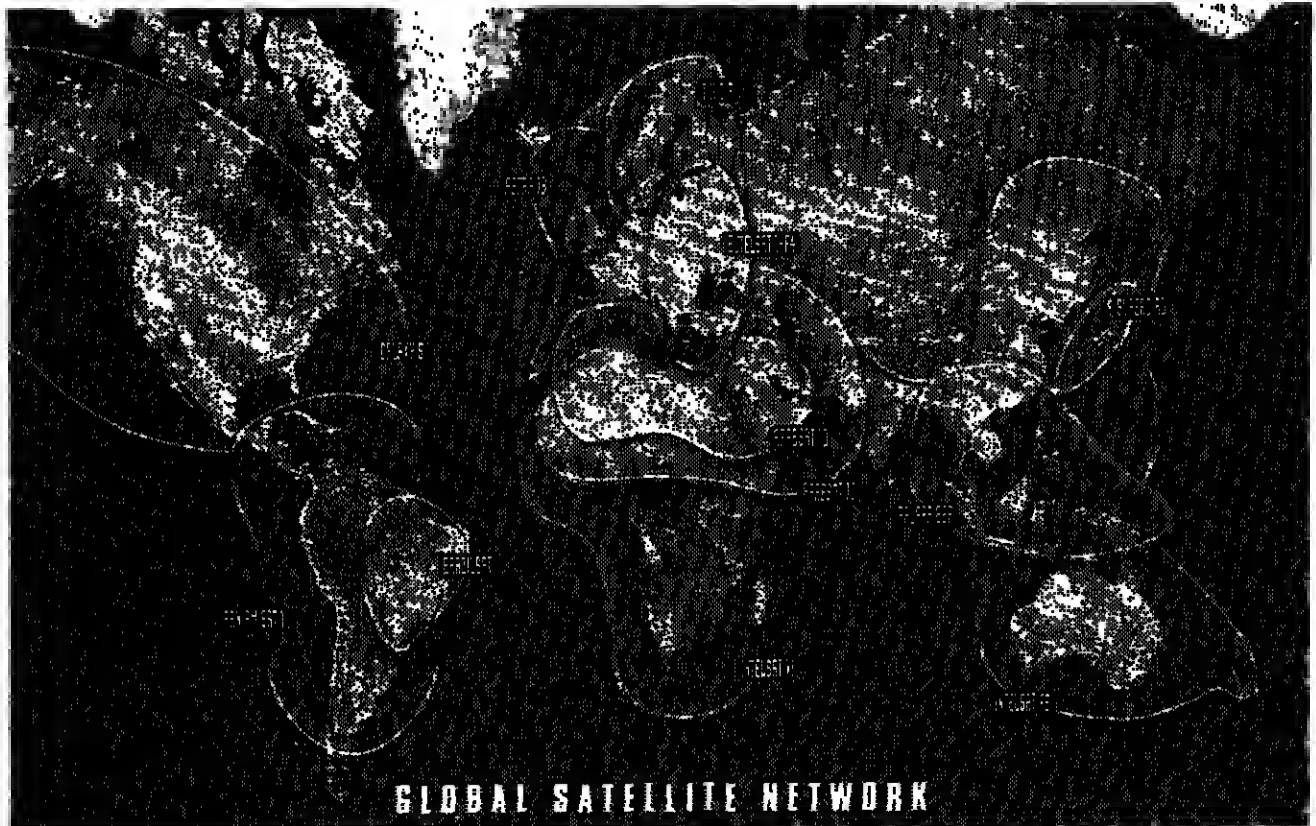
He seemed to move with the times. In the 1920s he was a superstar in "La Lune rousse" (The Red Moon) and became "Le Roi des loufoques" (The King of Crackpots). When films began to speak, he was engaged by Christian-Jaque to act in talkies and in 1935 he began his own radio shows.

In May 1938, a new magazine, L'Œil à Moelle (The Marrow Bone), appeared in Paris and reached a circulation of 400,000 copies a week until it was forbidden when the German Army arrived in Paris. Its editor, Pierre Dac, had constantly warned his readers of what awaited them if Hitler was not halted. Dac escaped to Spain and in 1943 reached General de Gaulle in London

to broadcast to France on the BBC program, "Les Français parlent aux Français." He returned with the Free French for the liberation of Paris in August 1944, and once the war was over he published a new review, L'Œil Libre (The Free Bone) and was performing in cabarets, theaters and on radio and television his sketches with the rising comic, Francis Blanche.

Three volumes of Dac's editorials sounding the alarm on Hitler have been republished, his "Pensées" is in print, a selection of his sketches and his London songs are to be heard on records, and a luminous biography by Jacques Pessis appeared last year on the centenary of Dac's birth. It is the basis of the Chaillot spectacle.

Savary's version of Dac's material hops from Paris bars to the Amazon jungles and from a melodrama during the occupation to a Luna Park sideshow. A nimble company keeps its pace brisk and amusing.



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# BUSINESS

International Herald Tribune, Wednesday, July 13, 1994

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## Shareholders Approve UAL Worker Buyout

Compiled by Our Staff From Dispatches

**CHICAGO** — UAL Corp. shareholders on Tuesday endorsed a \$4.9 billion employee buyout of the company, creating one of the largest employee-owned companies in the United States.

Under the plan, employees would own 55 percent of UAL, the parent company of United Airlines.

United's pilots, ground crews, office workers and customer service agents are giving up \$4.9 billion in wages and benefits for their stake in the airline. Through employee ownership, UAL is aiming for labor peace as it launches a second, low-fare airline.

"For too long United has been anything but united," said Gerald Greenwald, who will

take over as chairman from Stephen Wolf. "Our mission begins with making the new United something the employees can count on just as the company counts on them."

The buyout pays existing shareholders \$84.81 in cash a share and allows them to continue to own 45 percent of UAL. The company's shares finished at \$127.125, down \$2.625, on the New York Stock Exchange.

The buyout is aimed at enabling United to better compete with lower-cost airlines. Chicago-based UAL lost \$50 million last year.

UAL said Tuesday it earned a net \$107 million in the second quarter of this year, up sharply from the \$30 million earned in the comparable 1993 quarter.

Approval of the proposal ends a seven-year quest by United's pilots for majority employee ownership. United's flight attendants are not part of the ownership group.

Mr. Wolf said there would have been "tens of thousands" of employee layoffs if the buyout had not gone through.

United will attack Southwest Airlines Co.'s West Coast franchise on Oct. 1 by converting 82 daily flights between 14 Western cities to its low-cost operation. By December, the program will expand to 143 daily flights. Within five years, it is expected to represent 20 percent of United's system.

The U.S. administration, which has promoted employee ownership, welcomed the vote.

"If this experiment pays off in the way UAL shareholders anticipate it will, then we may see many more large companies owned and run by their employees," said Robert Reich, the labor secretary.

Currently, about 80 percent of UAL's stock is controlled by mutual funds and pension funds. (AP, Bloomberg, AFP)

## Europe Takes to Herbal Cures

By Erik Ipsen  
International Herald Tribune

**LONDON** — Once regarded as a quaint and quirky echo of a bygone era, alternative medicines ranging from garlic capsules to ginkgo pills are staging a strong recovery across northern Europe.

Not since penicillin and other modern wonder drugs stormed onto the scene about a half century ago have the prospects for such remedies and for their manufacturers looked brighter.

Across Europe, manufacturers of alternative medicines are reporting surging demand. "We see growing interest for these remedies throughout Europe," said Sabine Falbe, head of the international division at Berlin-based Lichtwer Pharma, a 13-year-old company whose Kwai brand garlic pills are the biggest-selling over-the-counter medicine in Germany. In volume terms, Lichtwer's total sales now exceed 100 million Deutsche marks (\$64.54 million) a year.

This spring, Boots Co., owner of Britain's largest drug store chain, not only shifted what it now calls "complementary medicines" to front and center locations in the drug sections of 800 of its

stores, it also began selling dozens of them under its own brand name.

Citing research showing that demand for alternative medicines in Britain has doubled in the last five years alone, Jenny Tompkins, the marketing manager for Boots Healthcare, said: "We decided to give customers what they wanted."

There are several theories why alternative medicines, which continue to be the

"the trend for people to seek milder, more natural products," to public health authorities getting increasingly cost-conscious. The resulting drive to bold prescription costs down has been, he said, a boon to relatively cheap alternative medicines.

Andrew Lockie, a British physician and author of two books on homeopathy, or medicines that treat symptoms with extremely high dilutions of substances known to cause those same symptoms, attributes the surge in interest to the "general zeitgeist" of the times, and to an increasing trend to look behind physical ailments and examine what stresses or strains might have caused them. It is that sort of holistic treat-the-patient-not-the-symptoms approach that many practitioners of alternative medicine emphasize.

In spite of rapid growth in recent years, the market for alternative medicines remains small, even by the standards of a single major pharmaceutical company. France and Germany are the two largest markets, with total sales of around \$300 million last year.

It is difficult to measure the market, however, because it is difficult to define

See HERBS, Page 13

### Many are available under various national insurance plans in Continental Europe.

principal medical treatments used in most of the countries of the developing world, should experience a revival in Europe. Many people point to well publicized disasters with such modern medicines as Thalidomide as spurring interest in natural alternatives.

Frederic Borelli, marketing manager at the herbal drug maker Ferrosan A/S in Denmark, points to factors as diverse as

## French Bank Was Felled By 'Buccaneers'

Compiled by Our Staff From Dispatches

**PARIS** — A French parliamentary inquiry into the turmoil at Credit Lyonnais, the nation's largest commercial bank, said Tuesday that connivance between bank officers and politicians left the bank out of control and prey to crooks and adventurers.

In a 1,000-page report, a government commission revealed how Credit Lyonnais came to post a 6.9 billion French franc (\$1.3 billion) 1993 loss, the largest in French banking history, following a 1.8 billion franc loss in 1992.

It was, said National Assembly president and commission

## Hicks, Muse Leads \$1 Billion Takeover

Compiled by Our Staff From Dispatches

**NEW YORK** — In its largest deal to date, Hicks, Muse, Tate & Furst said Tuesday that it and other investors would acquire Dallas-based Home Interiors & Gifts Inc. for \$1 billion.

Home Interiors sells decorative and gift items through direct mail and has annual retail sales of more than \$850 million.

Under the agreement, Hicks Muse will buy a 51 percent equity stake in Home Interiors, the cash component of which will be provided by the Hicks Muse Equity Fund II.

The remaining 49 percent is to be acquired by members of the Crowley-Carter family, grandchildren of Home Interiors' founder, Mary Crowley.

The direct-sales company currently is controlled by Mrs.

Crowley's son, the real estate investor Donald Carter. Mr. Carter also owns the Dallas Mavericks basketball team.

Mr. Carter will retain an ownership position in the company, although he will step down as president and chief executive, Hicks, Muse said.

"As I began to plan for my retirement and the eventual settlement of my estate, I wanted to ensure that the legacy created by my mother nearly four decades ago would carry on to the next generation of the Crowley-Carter family," said Mr. Carter, who will be 61 this month.

In recent months, Mr. Carter has sold other family interests as well, including a car dealership and a bank in the Dallas area.

Home Interiors, however, is one of the largest pieces of his real estate, manufacturing and sports empire. The company

makes and distributes accessory gift items, such as mirrors, pictures, figurines and so on. The items are sold directly to consumers through a network of 42,000 independent sales agents.

Thomas Hicks, chairman of Hicks, Muse, said the deal would be partially financed by the issuance of \$300 million of high-yield bonds. An additional \$400 million is to be raised from banks.

Mr. Hicks noted that this was the fifth deal since November drawing on the Hicks Muse Equity Fund II. He said a deal announced recently to buy a radio station group is expected to close in September. (Bloomberg, Knight-Ridder, Reuters)

■ **DLJ Acquires Katz**  
DLJ Merchant Banking Partners LP, a unit of Equitable

Cos., said it would acquire Katz Media Corp., which sells national advertising for television and radio stations, for about \$287 million, news agencies reported.

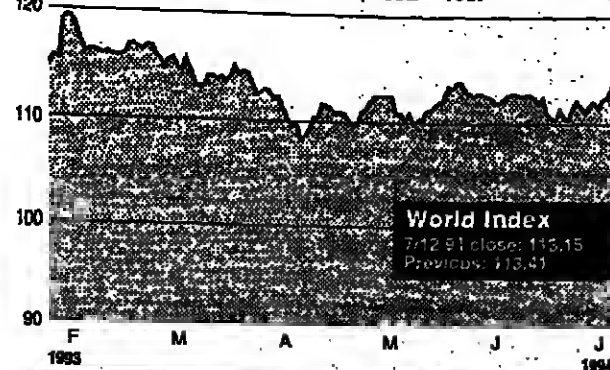
DLJ, a part of securities firm Donaldson, Lufkin & Jenrette Inc., is buying Katz while in the process of selling four television stations for more than \$700 million, which would bring it a profit of about \$360 million.

Meanwhile, Northrop Grumman Corp. said it would acquire the remaining 51 percent interest it does not own in Vought Aircraft Co. from Carlyle Group LP for \$130 million.

In another major deal, American Brands Inc. announced the sale of its British subsidiary Doland & Aichison Group PLC for nearly \$146 million to CVC Capital Partners Ltd. (AP, Bloomberg, Knight-Ridder)

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Index	7/12	6/30	% change	Index	7/12	6/30	% change
Energy	111.00	111.28	-0.25	Capital Goods	112.80	113.18	-0.34
Utilities	121.79	121.27	+0.43	New Materials	124.76	125.40	-0.58
Finance	118.55	118.76	-0.18	Consumer Goods	98.97	98.78	+0.81
Services	117.38	116.98	+0.34	Miscellaneous	124.74	124.21	+0.43

For more information about the index, a booklet is available free of charge. Write to Trib Index, 161 Avenue Charles de Gaulle, 92021 Neuilly Cedex, France.

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## MEDIA MARKETS

### 'Lion' a Merchandise King

By Sallie Hofmeister  
New York Times Service

**LOS ANGELES** — The Burger King on the edge of Hollywood is usually dead on Sundays. But in recent weeks the store has hardly had time to sweep the kitchen floor. Since the store hung cartoonish banana leaves from the ceiling and began packing its "Kids Meals" with toys from Disney's new animated film, "The Lion King," its Sunday sales have doubled and increased during the week have been even more spectacular.

"We used to sell 45 to 70 Kids Meals a day," said Carlos E. Meza, the store's assistant manager. "Now we're doing 220 to 300."

Burger Kings across the country are enjoying a similar response as "The Lion King" verges on becoming not only the year's biggest box-office hit, but also a merchandising bonanza for the army of marketers that signed up for tie-ins with Walt Disney Co.

Since opening June 24 to a wide audience in the United States, the children's adventure has grossed \$150 million. Only "Jurassic Park" reached that level faster.

In addition to being a top movie, "The Lion King" has given Disney its first No. 1 soundtrack since "Mary Poppins" 30 years ago, not to mention the sales of books and other merchandise and the promise of profits from the home video and the video games. Disney is also using the story to lure visitors to its theme parks and retail stores.

Jessica J. Reed, an analyst at Oppenheimer & Co., said the movie would represent \$1 billion in profits for Disney over two or three years. This is going to break all records, of all time," she said.

Companies such as Burger King Corp. that

paid Disney for promotional and licensing tie-ins to the movie are also feeling flush. The clothes, candy, toys, games, sleeping bags, toothbrushes, sheets, lunch boxes, stuffed animals and other products produced under these agreements are sailing off store shelves, leading some retailers and licensing specialists to predict that "The Lion King" may become one of the biggest movie merchandising successes of all time, too.

"I'll go out on a limb and say \$1 billion of merchandise will be sold in 1994," said Ira Mayer, publisher of The Licensing Letter in Brooklyn, which tracks licensing sales. "That's in only six months," Mr. Mayer said. "Jurassic Park" the movie-merchandising monster of 1993, took longer to achieve that level of success.

Sales of Kids Meals by the Burger King chain have tripled since it started giving away the seven plastic movie figurines with the meals on June 20. In addition to Burger King, Disney's biggest licensees are Mattel, Kodak, Nestle and Payless Shoesource, an arm of May Department Stores.

Mattel said it expected its stuffed animals and action figures based on the main characters to have a longer selling life than those from "Aladdin" and "Beauty and the Beast," because they are being released in the summer and are expected to sell until Christmas. "Aladdin" and "Beauty and the Beast" were released just before Christmas.

Toys "R" Us, which carries more than 200 "Lion King" products from Mattel and other manufacturers at its 581 stores, said the line was doing extremely well. "We have the highest expectations for the lunch boxes this fall."

See LION, Page 13

## Weak Market Delays Issue Of China Stock

Compiled by Our Staff From Dispatches

**HONG KONG** — China's state-owned Shanghai Haixing Shipping Co. has postponed its planned sale of shares on the Hong Kong market because of adverse market conditions, Morgan Grenfell Asia (Hong Kong) Ltd. said Tuesday.

Chinese stocks have taken a hammering this year, in contrast to the surge they recorded when the country allowed listings to begin in 1993.

The failure of Shanghai Haixing, a state-owned shipping company, to sell a 43.5 percent stake in itself to investors followed a poor trading debut by Luoyang Glass Co., which fell 20 percent below its issue price when share began changing hands on Friday.

Separately, Shandong Huangpu Power Development Co. filed with the U.S. Securities and Exchange Commission to sell 23.4 million American depositary receipts at \$13 to \$17 each. ADRs represent foreign stocks that are traded in the U.S. domestic market. The utility would be the first Chinese company to have its primary listing on the New York Stock Exchange and its issue would be the largest international equity

See CHINA, Page 16

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## CURRENCY & INTEREST RATES

Cross Rates											Eurocurrency Deposits											Key Money Rates										
Jan 12											Jan 12											Jan 12										
	USD	DEM	GBP	JPY	CHF	FRF	ITL	ESP	YEN		1 month	3 months	6 months	1 year	18 months	24 months	36 months	48 months	60 months		1 month	3 months	6 months	1 year	18 months	24 months	36 months	48 months	60 months			
American	1.00	1.66	0.75	110.00	0.70	6.55	1936.27	166.37	146.07	USD	4.50	4.75	5.00	5.25	5.50	5.75	6.00	6.25	6.50	USD	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50			
British	0.69	1.15	1.00	156.36	0.50	4.76	1436.71	123.76	106.61	DEM	4.50	4.75	5.00	5.25	5.50	5.75	6.00	6.25	6.50	DEM	4.50	4.75	5.00	5.25	5.50	5.75	6.00	6.25	6.50			
French	0.15	0.27	0.13	19.36	1.00	1.66	51.93	4.76	4.19	GBP	4.50	4.75	5.00	5.25	5.50	5.75	6.00	6.25	6.50	GBP	4.50	4.75	5.00	5.25	5.50	5.75	6.00	6.25	6.50			
German	0.60	1.00	0.45	63.76	0.33	3.36	1033.76	89.36	79.36	JPY	4.50	4.75	5.00	5.25	5.50	5.75	6.00	6.25	6.50	JPY	4.50	4.75	5.00	5.25	5.50	5.75	6.00	6.25	6.50			
Italian	0.15	0.27	0.13	19.36	0.33	1.00	293.76	25.36	22.36	CHF	4.50	4.75	5.00	5.25	5.50	5.75	6.00	6.25	6.50	CHF	4.50	4.75	5.00	5.25	5.50	5.75	6.00	6.25	6.50			
Japanese	0.009	0.016	0.007	1.00	0.007	0.06	173.63	15.36	13.36	FRF	4.50	4.75	5.00	5.25	5.50	5.75	6.00	6.25	6.50	FRF	4.50	4.75	5.00	5.25	5.50	5.75	6.00	6.25	6.50			
Swiss	0.70	1.25	0.55	156.36	1.00	1.66	51.93	4.76	4.19	ITL	4.50	4.75	5.00	5.25	5.50	5.75	6.00	6.25	6.50	ITL	4.50	4.75	5.00	5.25	5.50	5.75	6.00	6.25	6.50			
Spanish	0.16	0.28	0.14	19.36	0.33	1.00	293.76	25.36	22.36	ESP	4.50	4.75	5.00	5.25	5.50	5.75	6.00	6.25	6.50	ESP	4.50	4.75	5.00	5.25	5.50	5.75	6.00	6.25	6.50			
Yen	0.009	0.016	0.007	1.00	0.007	0.06	173.63	15.36	13.36	YEN	4.50	4.75	5.00	5.25	5.50	5.75	6.00	6.25	6.50	YEN	4.50	4.75	5.00	5.25	5.50	5.75	6.00	6.25	6.50			
Source: Reuters, London. Bank rates available to interbank deposits of \$1 million minimum (or equivalent).											Source: Reuters, London. Bank rates available to interbank deposits of \$1 million minimum (or equivalent).											Source: Reuters, London. Bank rates available to interbank deposits of \$1 million minimum (or equivalent).										
Other Dollar Values											Other Dollar Values											Other Dollar Values										
	USD	DEM	GBP	JPY	CHF	FRF	ITL	ESP	YEN		USD	DEM	GBP	JPY	CHF	FRF	ITL	ESP	YEN		USD	DEM	GBP	JPY	CHF	FRF	ITL	ESP	YEN			
American	1.00	1.66	0.75	110.00	0.70	6.55	1936.27	166.37	146.07	American	1.00	1.66	0.75	110.00	0.70	6.55	1936.27	166.37	146.07	American	1.00	1.66	0.75	110.00	0.70	6.55	1936.27	166.37	146.07			
British	0.69	1.15	1.00	156.36	0.50	4.76	1436.71	123.76	106.61	British	0.69	1.15	1.00	156.36	0.50	4.76	1436.71	123.76	106.61	British	0.69	1.15	1.00	156.36	0.50	4.76	1436.71	123.76	106.61			
French	0.15	0.27	0.13	19.36	1.00	1.66	51.93	4.76	4.19	French	0.15	0.27	0.13	19.36	1.00	1.66	51.93	4.76	4.19	French	0.15	0.27	0.13	19.36	1.00	1.66	51.93	4.76	4.19			
German	0.60	1.00	0.45	63.76	0.33	3.36	1033.76	89.36	79.36	German	0.60	1.00	0.45	63.76	0.33	3.36	1033.76	89.36	79.36	German	0.60	1.00	0.45	63.76	0.33	3.36	1033.76	89.36	79.36			
Italian	0.15	0.27	0.13	19.36	0.33	1.00	293.76	25.36	22.36	Italian	0.15	0.27	0.13	19.36	0.33	1.00	293.76	25.36	22.36	Italian	0.15	0.27	0.13	19.36	0.33	1.00	293.76	25.36	22.36			
Japanese	0.009	0.016	0.007	1.00	0.007	0.06	173.63	15.36	13.36	Japanese	0.009	0.016	0.007	1.00	0.007	0.06	173.63	15.36	13.36	Japanese	0.009	0.016	0.007	1.00	0.007	0.06	173.63	15.36	13.36			
Swiss	0.70	1.25	0.55	156.36	1.00	1.66	51.93	4.76	4.19	Swiss	0.70	1.25	0.55	156.36	1.00	1.66	51.93	4.76	4.19	Swiss	0.70	1.25	0.55	156.36	1.00	1.66	51.93	4.76	4.19			
Spanish	0.16	0.28	0.14	19.36	0.33	1.00	293.76	25.36	22.36	Spanish	0.16	0.28	0.14	19.36	0.33	1.00	293.76	25.36	22.36	Spanish	0.16	0.28	0.14	19.36	0.33	1.00	293.76	25.36	22.36			
Yen	0.009	0.016	0.007	1.00	0.007	0.06	173.63	15.36	13.36	Yen	0.009	0.016	0.007	1.00	0.007	0.06	173.63	15.36	13.36	Yen	0.009	0.016	0.007	1.00	0.007	0.06	173.63	15.36	13.36			
Source: Reuters, London. Bank rates available to interbank deposits of \$1 million minimum (or equivalent).											Source: Reuters, London. Bank rates available to interbank deposits of \$1 million minimum (or equivalent).											Source: Reuters, London. Bank rates available to interbank deposits of \$1 million minimum (or equivalent).										
Forward Rates											Forward Rates											Forward Rates										
	USD	DEM	GBP	JPY	CHF	FRF	ITL	ESP	YEN		USD	DEM	GBP	JPY	CHF	FRF	ITL	ESP	YEN		USD	DEM	GBP	JPY	CHF	FRF	ITL	ESP	YEN			
American	1.00	1.66	0.75	110.00	0.70	6.55	1936.27	166.37	146.07	American	1.00	1.66	0.75	110.00	0.70	6.55	1936.27	166.37	146.07	American	1.00	1.66	0.75	110.00	0.70	6.55	1936.27	166.37	146.07			
British	0.69	1.15	1.00	156.36	0.50	4.76	1436.71	123.76	106.61	British	0.69	1.15	1.00	156.36	0.50	4.76	1436.71	123.76	106.61	British	0.69	1.15	1.00	156.36	0.50	4.76	1436.71	123.76	106.61			
French	0.15	0.27	0.13	19.36	1.00	1.66	51.93	4.76	4.19	French	0.15	0.27	0.13	19.36	1.00	1.66	51.93	4.76	4.19	French	0.15	0.27	0.13	19.36	1.00	1.66	51.93	4.76	4.19			
German	0.60	1.00	0.45	63.76	0.33	3.36	1033.76	89.36	79.36	German	0.60	1.00	0.45	63.76	0.33	3.36	1033.76	89.36	79.36	German	0.60	1.00	0.45	63.76	0.33	3.36	1033.76	89.36	79.36			
Italian	0.15	0.27	0.13	19.36	0.33	1.00	293.76	25.36	22.36	Italian	0.15	0.27	0.13	19.36	0.33	1.00	293.76	25.36	22.36	Italian	0.15	0.27	0.13	19.36	0.33	1.00	293.76	25.36	22.36			
Japanese	0.009	0.016	0.007	1.00	0.007	0.06	173.63	15.36	13.36	Japanese	0.009	0.016	0.007	1.00	0.007	0.06	173.63	15.36	13.36	Japanese	0.009	0.016	0.007	1.00	0.007	0.06	173.63	15.36	13.36			
Swiss	0.70	1.25	0.55	156.36	1.00	1.66	51.93	4.76	4.19	Swiss	0.70	1.25	0.55	156.36	1.00	1.66	51.93	4.76	4.19	Swiss	0.70	1.25	0.55	156.36	1.00	1.66	51.93	4.76	4.19			
Spanish	0.16	0.28	0.14	19.36	0.33	1.00	293.76	25.36	22.36	Spanish	0.16	0.28	0.14	19.36	0.33	1.00	293.76	25.36	22.36	Spanish	0.16	0.28	0.14	19.36	0.33	1.00	293.76	25.36	22.36			
Yen	0.009	0.016	0.007	1.00	0.007	0.06	173.63	15.36	13.36	Yen	0.009	0.016	0.007	1.00	0.007	0.06	173.63	15.36	13.36	Yen	0.009	0.016	0.007	1.00	0.007	0.06	173.63	15.36	13.36			
Source: Reuters, London. Bank rates available to interbank deposits of \$1 million minimum (or equivalent).											Source: Reuters, London. Bank rates available to interbank deposits of \$1 million minimum (or equivalent).											Source: Reuters, London. Bank rates available to interbank deposits of \$1 million minimum (or equivalent).										



## MARKET DIARY

## Blue Chips Rally From Early Slump

Bloomberg Business News

NEW YORK — U.S. stocks overcame early losses Tuesday as a recovery in the dollar helped bonds gain. The rebound in bonds occurred after a government report showed wholesale prices last month showed no rise.

The recovery in the market was fueled in part by a gain in Motorola's share price of 5%, or 12 percent, to \$50, after the

## U.S. Stocks

company issued better-than-expected earnings.

The Dow Jones industrial average rebounded to 3,702.66, down 0.33, after dropping early in the session by as much as 30.75 points.

"The producer price index number this morning is astonishingly positive," said Will Weinstein, head of trading at Genesis Merchant Group Securities in San Francisco. "People are expecting more inflation than we're likely to get over the short term."

That came after the Labor Department said prices paid to farmers, farmers and other producers were unchanged in June, the third straight month without

an increase and lower than economists' forecast of a 0.3 percent advance. Excluding volatile food and energy prices, the producer price index fell 0.1 percent.

The yields on the government's benchmark 30-year Treasury bonds fell to 7.68 percent from 7.72 percent on Monday. The fall in bond interest rates was limited, however, by weakness in the dollar, which made internationally minded investors wary of U.S. assets.

Advancing and declining stocks were evenly matched on the New York Stock Exchange, where volume totaled 251.89 million shares, up from 222.29 million shares on Monday.

Technology stocks were initially hurt by the semiconductor industry's report on new chip orders in June. The book-to-bill ratio showed chipmakers got \$108 in new orders for every \$100 of goods shipped last month.

"That's slightly on the negative side, but it's not too unusual during the summertime," when demand typically slackens, said Don Hays, market strategist at Wheat First Butcher Singer.

Such views helped Intel to recover 1/4 to 60% after falling to \$9.

## LYONNAIS: Prey to Pirates

Continued from Page 11

member Philippe Seguin, the result of "a bulimia of investment and acquisition" that was "often without any proper risk assessment."

François d'Aubert, secretary to the commission and author of a recent book on Crédit Lyonnais' most dubious loans, described some of the bank's partners as "sometimes crooks, often buccaniers, on whom it sought precious little information" lured "by the prospect of a quick buck."

Initiated in the mid-1980s, Crédit Lyonnais' aggressive investment strategy was taken up and amplified by Jean-Yves Haberer, the former head of the French Treasury who was named to head the bank in 1989 by the socialist government.

"The commission said that Crédit Lyonnais' transformation from a conservative institution into a liberal spender happened against a backdrop of a general erosion of ethical standards and the desire to make fast money."

Mr. Seguin, who chaired the 12-member inquiry commission, said that Mr. Haberer's honesty and ethics were beyond

acumen was not. Mr. d'Aubert, meanwhile, stressed that the responsibility for Crédit Lyonnais' demise was not Mr. Haberer's alone.

Mr. d'Aubert also had blame for Bank of France Governor Jean-Claude Trichet, who until last summer headed the French Treasury, as well as a succession of ministers, particularly the late Prime Minister Pierre Bérégovoy, a Socialist.

Mr. Bérégovoy committed suicide in the spring of 1993 after his government was ousted from power.

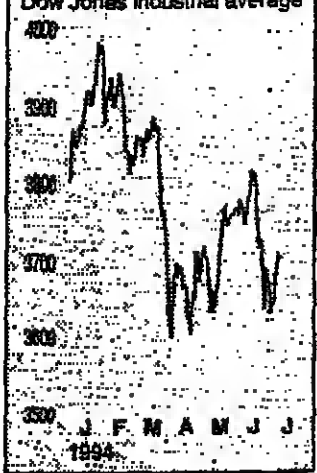
"There was a triangular responsibility," said Mr. d'Aubert. "There was a collusion" so that "Crédit Lyonnais could hold a special place in the French banking system."

The report's summary was particularly harsh toward the international division of the bank, which has accounted for about 30 percent of the bank's balance sheet, and toward its director from 1985 to 1992, Alexis Volkenstein, who "had a key part in the failings of Crédit Lyonnais Bank Nederland," an affiliate active in film investments. (Bloomberg AP)

Via Associated Press July 12

## The Dow

Daily closings of the Dow Jones industrial average



NYSE Most Active

Symbol	Vol.	High	Low	Last	Chg.
Alcoa	3,500	48 1/4	47 3/4	47 3/4	-1/4
Amgen	1,200	52 1/2	51 3/4	51 3/4	-1/4
Boeing	1,500	49 1/4	48 3/4	48 3/4	-1/4
Chrysler	1,800	24 1/4	23 3/4	23 3/4	-1/4
IBM	2,500	101 1/4	100 3/4	100 3/4	-1/4
Intel	3,000	9 1/4	8 3/4	8 3/4	-1/4
Microsoft	2,000	34 1/4	33 3/4	33 3/4	-1/4
Oracle	1,500	28 1/4	27 3/4	27 3/4	-1/4
Sealed Air	1,000	24 1/4	23 3/4	23 3/4	-1/4
Verizon	1,200	24 1/4	23 3/4	23 3/4	-1/4

## NYSE Most Active

Symbol	Vol.	High	Low	Last	Chg.
Alcoa	3,500	48 1/4	47 3/4	47 3/4	-1/4
Amgen	1,200	52 1/2	51 3/4	51 3/4	-1/4
Boeing	1,500	49 1/4	48 3/4	48 3/4	-1/4
Chrysler	1,800	24 1/4	23 3/4	23 3/4	-1/4
IBM	2,500	101 1/4	100 3/4	100 3/4	-1/4
Intel	3,000	9 1/4	8 3/4	8 3/4	-1/4
Microsoft	2,000	34 1/4	33 3/4	33 3/4	-1/4
Oracle	1,500	28 1/4	27 3/4	27 3/4	-1/4
Sealed Air	1,000	24 1/4	23 3/4	23 3/4	-1/4
Verizon	1,200	24 1/4	23 3/4	23 3/4	-1/4

## NASDAQ Most Active

Symbol	Vol.	High	Low	Last	Chg.
Alcoa	3,500	48 1/4	47 3/4	47 3/4	-1/4
Amgen	1,200	52 1/2	51 3/4	51 3/4	-1/4
Boeing	1,500	49 1/4	48 3/4	48 3/4	-1/4
Chrysler	1,800	24 1/4	23 3/4	23 3/4	-1/4
IBM	2,500	101 1/4	100 3/4	100 3/4	-1/4
Intel	3,000	9 1/4	8 3/4	8 3/4	-1/4
Microsoft	2,000	34 1/4	33 3/4	33 3/4	-1/4
Oracle	1,500	28 1/4	27 3/4	27 3/4	-1/4
Sealed Air	1,000	24 1/4	23 3/4	23 3/4	-1/4
Verizon	1,200	24 1/4	23 3/4	23 3/4	-1/4

## Market Sales

Index	Today	Prev.
Dow Jones	3,702.66	3,733.41
S&P 500	2,244.14	2,264.14
NASDAQ	2,244.14	2,264.14

## Dow Jones Averages

Open High Low Last Chg.

Index	Open	High	Low	Last	Chg.
Indus	3702.66	3702.66	3702.66	3702.66	-0.33
Trans	134.17	134.17	134.17	134.17	-0.02
Comp	124.91	124.91	124.91	124.91	-0.01

## Standard &amp; Poor's Indexes

High Low Last Chg.

Index	High	Low	Last	Chg.
Indus	3702.66	3702.66	3702.66	-0.33
Trans	134.17	134.17	134.17	-0.02
Comp	124.91	124.91	124.91	-0.01

## NYSE Indexes

High Low Last Chg.

Index	High	Low	Last	Chg.
Indus	3702.66	3702.66	3702.66	-0.33
Trans	134.17	134.17	134.17	-0.02
Comp	124.91	124.91	124.91	-0.01

## NASDAQ Indexes

High Low Last Chg.

Index	High	Low	Last	Chg.
Indus	3702.66	3702.66	3702.66	-0.33
Trans	134.17	134.17	134.17	-0.02
Comp	124.91	124.91	124.91	-0.01

## AMEX Stock Index

High Low Last Chg.

Index	High	Low	Last	Chg.
Indus	3702.66	3702.66	3702.66	-0.33
Trans	134.17	134.17	134.17	-0.02
Comp	124.91	124.91	124.91	-0.01

## Dow Jones Bond Averages

Class Prev.

Class	Prev.
20 Bonds	94.46
10 Utilities	102.31
10 Industrials	102.31

## NASDAQ Diary

Class Prev.

Class	Prev.
Advanced	124.14
Declined	124.14
Unchanged	124.14
New Issues	124.14

## NYSE Diary

Class Prev.

Class	Prev.
Advanced	124.14
Declined	124.14
Unchanged	124.14
New Issues	124.14

## AMEX Diary

Class Prev.

Class	Prev.
Advanced	124.14
Declined	124.14
Unchanged	124.14
New Issues	124.14

## Spot Commodities

Today Prev.

Commodity	Today	Prev.
Aluminum	1.04	1.04
Copper	1.04	1.04
Gold	1.04	1.04

## Tobacco Sales Lift Earnings at Philip Morris

Compiled by Our Staff From Dispatches

NEW YORK — Philip Morris Cos. said Tuesday its earnings rose 17 percent in the second quarter, led by strong results from its worldwide tobacco business, as the tobacco and food conglomerate recovers from last year's profit-sapping cigarette price war.

Philip Morris said its overall share of the domestic cigarette market and the share captured by its best-selling brand Marlboro were at record levels.

"Our worldwide tobacco business has never been in better shape, and our North American food and beer businesses continue to perform strongly compared with the competition," said chief executive Geoffrey C. Bible.

Philip Morris earned \$1.23 billion in the three months ended June 30, compared with \$1.05 billion a year ago. Revenue for the quarter rose 4 percent, to \$16.4 billion.

The results were slightly above analysts' expectations.

The company also announced it had repurchased 7.7 million shares at a cost of

## EUROPEAN FUTURES

Class Prev.

Class	Prev.
Aluminum	1.04
Copper	1.04
Gold	1.04

## Metals

Class Prev.

Class	Prev.
Aluminum	1.04
Copper	1.04
Gold	1.04

## Grains

Class Prev.

Class	Prev.
Aluminum	1.04
Copper	1.04
Gold	1.04

## Livestock

Class Prev.

Class	Prev.
Aluminum	1.04
Copper	1.04
Gold	1.04

## Food

Class Prev.

Class	Prev.
Aluminum	1.04
Copper	1.04
Gold	1.04

## Stocks

Class Prev.

Class	Prev.
Aluminum	1.04
Copper	1.04
Gold	1.04

## Commodities

Class Prev.

Class	Prev.
Aluminum	1.04
Copper	1.04
Gold	1.04

## Indices

Class Prev.

Class	Prev.
Aluminum	1.04
Copper	1.04
Gold	1.04

## Futures

Class Prev.

Class	Prev.
Aluminum	1.04
Copper	1.04
Gold	1.04

## Options

Class Prev.

Class	Prev.
Aluminum	1.04
Copper	1.04
Gold	1.04

## Bonds

Class Prev.

Class	Prev.
Aluminum	1.04
Copper	1.04
Gold	1.04

## Currencies

Class Prev.

Class	Prev.
Aluminum	1.04
Copper	1.04
Gold	1.04

## Energy

Class Prev.

Class	Prev.
Aluminum	1.04
Copper	1.04
Gold	1.04

## Precious Metals

Class Prev.

Class	Prev.
Aluminum	1.04
Copper	1.04
Gold	1.04

## Commodities

Class Prev.

Class	Prev.
Aluminum	1.04
Copper	1.04
Gold	1.04

## Indices

Class Prev.

Class	Prev.
Aluminum	1.04
Copper	1.04
Gold	1.04

## Futures

Class Prev.

Class	Prev.
Aluminum	1.04
Copper	1.04
Gold	1.04

## Options

Class Prev.

Class	Prev.
Aluminum	1.04
Copper	1.04
Gold	1.04

## Bonds

Class Prev.

Class	Prev.
Aluminum	1.04
Copper	1.04
Gold	1.04

## Currencies

Class Prev.

Class	Prev.
Aluminum	1.04
Copper	1.04
Gold	1.04

## Energy

Class Prev.

Class	Prev.
Aluminum	1.04
Copper	1.04
Gold	1.04

## Precious Metals

Class Prev.

Class	Prev.
Aluminum	1.04
Copper	1.04
Gold	1.04

## Commodities

Class Prev.

Class	Prev.
Aluminum	1.04
Copper	1.04
Gold	1.04

## Indices

Class Prev.

Class	Prev.
Aluminum	1.04
Copper	1.04
Gold	1.04

## Futures



EUROPE

# Scrabble Battle Wraps Up With Mattel on Top

Compiled by Our Staff From Dispatches

**LONDON** — Mattel Inc. outplayed its U.S. rival Hasbro Inc. in the battle for control of the British company J.W. Spear & Sons PLC, which owns the rights to the Scrabble board game outside North America.

Mattel, which makes Barbie dolls, raised its cash offer to £11.50 a share (\$18), valuing the company at \$62 million, and beating the £57.3-million offer from Hasbro, which makes Cindylas.

Spear's directors and family trustees have pledged 2,695,000 shares, or 51.2 percent of the company, to Mattel, ensuring that it won the battle.

"We are delighted that the board of Spear has recommended our revised offer and that shareholders owning more than 50 percent of the company will accept it," said John Amerman, the chairman of Mattel.

Hasbro owns the North American rights to Scrabble, as well as 26.7 percent of Spear.

A Hasbro spokesman said that although the company lost the takeover battle, it would realize a "substantial gain" by selling its stake in Spear to Mattel.

"We believe the Mattel offer is very generous and above a level which we could justify in

business terms," said Norman Walker, the president of Hasbro International. "We are very pleased at the outcome for all shareholders, and we will, of course, realize a substantial gain on our investment, which we made in 1990."

Hasbro launched a \$46.9 million hostile takeover bid for Spear in June, which Mattel then topped with a \$52 million offer. Hasbro raised the stakes last week to \$57.3 million, and Mattel topped that bid this week.

Mr. Amerman said the acquisition would help Mattel's position in the game-board market. Mattel already owns Uno, the world's top-selling table game. Mr. Amerman said Spear would become Mattel's base for board games worldwide while providing a wider outlet for Scrabble.

"Our worldwide marketing organization in 34 countries will help to grow the Spear marketing base," he said.

Francis Spear, the chairman of Spear, said he was happy with the revised offer, which he called "fair and reasonable."

About 3.5 million copies of Scrabble sold worldwide last year, half of them in the United States and Canada.

(AP, Bloomberg, AFX)

# Dollar's Fall Spells Low Profits

Bloomberg Business News

**LONDON** — In late April, the chief executive of Mercedes-Benz AG, Helmut Werner, strode into a meeting overjoyed with a big bank's latest forecast. The dollar was heading toward 1.80 Deutsche marks from 1.66 by year-end, an increase that would add 400 million DM (\$262 million) to the revenue of Mercedes' North American car operations.

Mr. Werner is not overjoyed anymore.

With the dollar having fallen about 6.5 percent against the mark in the past six weeks and declining against other major European currencies, the profits of multinational companies that depend on the U.S. market are under threat.

Large companies across Europe, such as Mercedes-Benz AG in Germany, Elf Aquitaine in France, and Hanson PLC in Britain do as much as 50 percent of their business in U.S. dollars. When the dollar falls, profit can follow.

"It's in the nature of U.K. public companies to have big international exposure," said Rob Blackland, European equity strategist at NatWest Securities Ltd. "Some 25 percent of the earnings of U.K. listed companies come from the U.S., so the dollar must have a very important impact."

British companies' total exposure to swings in the dollar can be even higher. Currencies in many Asian areas, such as

## Report Hits Roche Stock

Reuters

**ZURICH** — Roche Holding AG disappointed stock markets on Tuesday by reporting a lower-than-expected sales rise for the first half of 1994 but it forecast a profit increase for the full year.

The company, regarded as the most dynamic of Switzerland's three big chemicals and pharmaceutical concerns, said sales in the first six months rose to 7.33 billion Swiss francs (\$6 billion) from 7.16 billion a year earlier.

The increase in local currencies was 7.3 percent, but it was only 2.4 percent in Swiss franc terms because of the franc's strength against other currencies, particularly the dollar.

Analysts had predicted an increase of 10 percent to 12 percent in local currencies and 5 percent to 6 percent in francs. Roche remained bullish about its outlook, repeating a May forecast that profit would surge this year, following last year's 29.3 percent increase in group net income, to 2.48 billion Swiss francs.

After the news Roche's dividend-right certificates plunged on the Zurich stock market to 5,670 Swiss francs a piece, down from 6,005 previously.

Hong Kong, are pegged to the dollar to make trading easier. So when profits from Asian operations are included, some large British corporations wind up with 40 percent to 50 percent of their earnings in dollars.

The dollar's decline has been long and steady. The U.S. currency has dropped 14.25 percent against the yen and 12.8 percent against the mark since the beginning of this year. On Tuesday, it fell to a postwar low against the yen.

One bright spot for European companies is that the

ravaged dollar allows them to go on shopping sprees in America, snapping up companies whose price tags have fallen along with the currency.

British companies, for the most part, have been fortunate that the dollar has not fallen as much against the pound as it has against the mark or the yen. The pound is up only 3.5 percent against the dollar since June 1.

In Germany, particularly in the auto industry, it's another story.

Below 1.65 DM per dollar, carmakers do not easily make

a profit on their exports to the U.S. and dollar-pegged Asian markets, said Joachim Bernsdorff, an analyst at Bank Julius Baer in Frankfurt.

"They lost money last year because of the exchange," which averaged 1.65 DM to the dollar in 1993, Mr. Bernsdorff said.

"You don't see what they lost because the German parent sells at a loss to a U.S. subsidiary so that the subsidiary can show a profit," he said.

Although Mercedes and German counterparts Bayerische Motoren Werke AG and Porsche AG hedge against currency fluctuations, those hedges cover only six-month to nine-month periods.

Fokker NV is another example of a company whose earnings will be significantly hurt by the weaker dollar because its production is based in Dutch guilders, aircraft sales are denominated in dollars.

European oil companies are being hard hit by the dollar's decline, and their shares are reflecting slackening investor confidence in earnings prospects for the year.

But securities analysts think the dollar's slide has more to do with trade problems with Japan than with any fundamental weakness in the American economy. Analysts see the dollar bouncing back against European currencies by the end of the year.

## Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40
2300	3500	2400
2200	3400	2300
2100	3300	2200
2000	3200	2100
1900	3100	2000
1800	3000	1900
1700	2900	1800
1600	2800	1700
1500	2700	1600
1400	2600	1500
1300	2500	1400
1200	2400	1300
1100	2300	1200
1000	2200	1100
900	2100	1000
800	2000	900
700	1900	800
600	1800	700
500	1700	600
400	1600	500
300	1500	400
200	1400	300
100	1300	200
0	1200	100

Exchange	Index	Tuesday Close	Prev. Close	% Change
Amsterdam AEX		383.21	387.24	-1.04
Brussels Stock Index		7,311.06	7,341.46	-0.41
Frankfurt DAX		2,048.08	2,065.68	-0.85
Frankfurt FAZ		788.84	788.84	Unch.
Helsinki HEX		1,738.07	1,733.29	+0.28
London Financial Times 30		2,331.90	2,352.90	-0.89
London FTSE 100		2,963.96	2,983.80	-0.67
Madrid General Index		297.46	296.37	+0.37
Milan MIB		1,095.06	1,105.00	-0.90
Paris CAC 40		1,833.62	1,849.75	-0.83
Stockholm Allshare Index		1,804.44	1,785.45	+1.06
Vienna Stock Index		449.40	452.37	-0.66
Zurich SBS		898.28	915.69	-1.90

## Very briefly:

- El Al Israel Airlines, the Israeli state air carrier, achieved a profit of \$9.9 million during 1993 on revenue of \$947 million.
- ITT Corp.'s Sheraton Hotels was given two seats on the six-person board of Ciga Hotels SpA, the Italian hotel chain said. Sheraton is Ciga's largest shareholder.
- Electrolux AB, the Swedish commercial appliance concern, said it has entered into an alliance with Refrigeracao Parana SA, taking a 6 percent stake in the Brazilian appliance maker.
- The European Commission said it intended to take a favorable position on a joint venture between Messier-Bugatti SA, a unit of the French engine-maker Saecma, and U.S.-based B.F. Goodrich Co., to develop and market wheels and brakes for Airbus aircraft.
- Roussel-Uclaf, the French pharmaceutical company, will sell its headquarters in Paris for 815 million francs (\$156 million).
- United Sugar Co., a Saudi-British consortium, has signed contracts worth \$119 million with TPL SpA for the Italian engineering concern to design and build a sugar refinery in the Middle East, said Saudi Arabia's Savola Co. (AP, Bloomberg, AFX, Reuters)

## EU Loosens China Toy Quota

BRUSSELS — The European Commission on Tuesday proposed a 150 million European Currency Unit (\$185 million) increase in 1994 quotas on toy imports from China. The move is aimed at helping importers squeezed by an inadequate quota agreed March 7, the commission said. The quota is one of only seven still applied on Chinese products, compared with 4,700 national quotas on Chinese imports applied by member states before the EU's single market became fully operational. Claire Bousagol, secretary-general of the Toy Manufacturers of Europe, said the proposal was a 24 percent increase over quotas set in March. (Reuters, AFX)

## KPN Stock Issue Limited

**AMSTERDAM** — The banking syndicate conducting the initial public offering of shares in Koninklijke PTT Nederland NV said Tuesday it would not exercise its option to float an additional 20.7 million shares. ABN Amro Holding NV said the uncertain climate on the Amsterdam Stock Exchange was a factor in the decision not to sell the additional allocation. On Tuesday, KPN shares closed at 48.80 guilders, down from the initial offering price of 49.75. The syndicate's decision means the Dutch government, which is selling off its shares in the state postal and telecommunications monopoly a tranche at a time, will not collect about 1.03 billion guilders (\$595 million) that would have been generated if the option had been exercised. In June, 138.15 million shares were floated in the initial offering of one-third of KPN.

## HERBS: Alternative Medicines Manage a Recovery in Northern Europe

Continued from Page 11

it. The same product may be called a pharmaceutical product in Germany, a food supplement in Britain, and a natural remedy in Scandinavia.

Marketing has further complicated their situation. Britain's A. Nelson & Co., which bills itself as the world's oldest manufacturer of homeopathic medicines, also claims to have been the first company to abandon the label of "alternative" medicines.

What the manufacturers dream of is a day when people simply call their products medicine, and drop the adjectives

altogether. In some instances that has already happened.

Lichtwer Pharma is one of a growing number of herbal drug makers to produce prescription versions of its over-the-counter drugs. Those prescription versions are fully licensed and have passed tests for their effectiveness to do such things as reduce cholesterol levels.

Many of them are even available free of charge under various national insurance plans in Continental Europe.

The trend is positive even in Britain. "Pharmacists are becoming more and more aware of herbal medicines and are getting

training in them and using them," said Beverly Parkin, spokeswoman for the Royal Pharmaceutical Society in London. "As far as pharmacists are concerned, a licensed medicine is a medicine."

Getting that license is the hard part. Unlike modern drug makers that spend on the research and development of new drugs, makers of alternative medicines across Europe are spending large sums of money on medical research to prove that their often ancient remedies actually do work.

While the trials of their medicines drag on, manufacturers of

alternative medicines have spent heavily to try to give their over-the-counter products the look and feel of modern medicines. Herbal and homeopathic medicines increasingly come in neat white boxes that contain sealed tamper-proof bottles or blister packs replete with warnings about expiration dates and proper dosages.

"If you analyze a homeopathic medicine in a lab, it will seem identical to a placebo," said Mr. Lockie. With dilutions of its active ingredients so minute as to be undetectable, the workings of homeopathic products are not understood.

## LION: Is It the Most Spectacular Movie Merchandising Success of All Time?

Continued from Page 11

said Carol Fuller, a spokeswoman. Kodak is giving away tickets to the movie to people who purchase six rolls of film. Nestle is selling chocolate bars molded in movie-scene shapes. In its first tie-in with Disney, Payless has shoes and accessories with "Lion King" figures.

One question being asked concerns what distinguishes "The Lion King" from "Hook," the 1991 release based on the Peter Pan story, whose merchandise bombed. Or from "The Little Mermaid," which reached the \$1 billion mark only after it was released in home video. Or from its summer competitor "The Flintstones," which passed \$100 million at the box office in late June but whose merchandise sales have not been nearly as strong.

"It's an instant classic," Mr. Mayer said. "We haven't had a huggable, lovable main character like this one in a very long time," he added, referring to Simba, the lion that grows in the film from cub to king.

Unlike other Disney hits like "Beauty and the Beast," "Aladdin," "Snow White" and "The Little Mermaid," this movie appeals as much to boys and adults as to young girls. Indeed, a saleswoman at the Brentano's book store in the Century City

Shopping Center said adults were buying the bound version of the story for themselves.

One woman buying dinner at the Burger King on Sunset Boulevard said she had collected all seven pint-sized characters from the fast food chain for herself.

For Disney, the movie is the hub of a marketing program that connects its book, movie, recording and theme park units. "They have the ability to capitalize on the synergies of their divisions better than any other company," said Miss Reif, who predicted Disney's stock would rise to \$65 a share over the next 12 to 18 months, based on the strengths of "The Lion King." Disney shares, which have recovered little lift from the movie because of investors' fears about declining theme park attendance, closed Monday at \$42.125 each, down 25 cents.

Disney will not provide details, but analysts said that movie licensors typically receive royalties of 7 to 10 percent of wholesale merchandise sales.

In addition, Disney has its own spin-off products from the movie. It has shipped more than a million books to retailers, and last week "The Lion King" soundtrack landed at the top of the Billboard charts when it sold 271,000 copies. Disney has already shipped more than 3 million copies, on a par with the

total sales for the "Aladdin" soundtrack. Disney said it expected all of the cross-promotion to bring people to its 200 retail stores, where Simba creations now take their place beside Mickey Mouse memorabilia. The company has created special promotions tied to the movie to keep the cars coming to Disneyland, which now has a "Lion King" parade.

For licensees, the frenzy — and fortunes — are more temporary.

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**Tuesday's Closing**  
 Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press.

[illegible]

Sales figures are unaffected. Yearly rights and issues refer  
 the previous 52 weeks start the current week, but not the start  
 of the year. If stock dividend occurred during the year, the  
 percent or more has been added. The year's high-low range can  
 be found in the new stock dividend table. (Omits other high-  
 lows, rates of dividends are annual dividends/best share price.)  
 a - dividend also declared.  
 b - dividend in current month plus stock dividend.  
 c - stock dividend only.  
 d - dividend in year.  
 e - new year low.  
 f - dividend in current month and in preceding 12 months.  
 g - dividend in current month; subject to 10% non-voluntary  
 tax.  
 h - dividend declared after split-up or stock dividend.  
 i - dividend paid this year, omitted, deferred, or no action  
 taken.  
 j - dividend declared or paid this year, on accumulation  
 of dividends in previous years.  
 k - new low in the past 52 weeks. The high-low range begins  
 with price of delivery.  
 l - price of delivery.  
 m - price of delivery.  
 n - dividend declared or paid in preceding 12 months, plus  
 stock dividend.  
 o - stock split. Dividend begins with date of split.  
 p - dividend paid in stock in preceding 12 months, exclusive  
 of stock dividend or no-stock dividend.  
 q - new year high.  
 r - dividend in current month or no-stock dividend.  
 s - in bankruptcy or receivership or before reorganized by  
 court. Bankruptcy Act, or securities assumed by such court  
 order.  
 t - when distributed.  
 u - when issued.  
 v - with warrants.  
 w - when issued.  
 x - no stock dividend.  
 y - no stock dividend.  
 z - no dividend and sales in full.  
 aa - no dividend.  
 ab - sales in full.

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## China Scores Trade Surplus As Exports Rise

**Bloomberg Business News**  
BEIJING — China scored its first trade surplus in 16 months this June, cutting its trade deficit for the first half of the year to \$820 million, compared with \$3.49 billion in the first half of 1993, a government agency reported Monday.

China's trade balance in June swung to a \$970 million surplus, thanks to a strong recovery in exports of manufactured products, especially textiles and electronics, the official Economic Daily said, quoting a Customs General Administration report.

Exports in the first half soared 30.2 percent over the year-earlier period to \$48.3 billion, while imports climbed 21.1 percent to \$49.2 billion.

"They seem to be doing very, very well indeed," said Elizabeth Cheng, a China analyst with the Wardley James Capel brokerage in Hong Kong. "A lot of people wonder how they have improved their trade figures so quickly."

In 1993, China suffered a \$12.1 billion trade deficit, its first in four years, as the booming economy swallowed up imports and provided an attractive domestic market for exporters. Imports shot up 29 percent while exports inched up just 8 percent.

The Chinese government has said it aims to bring inflation down to single digits, from a 20 percent annual rate in the first four months of this year, and to

achieve a rough balance between imports and exports.

Western economists in Beijing said the encouraging trade figures were a sign that an economic slowdown was sapping import demand while falling raw material prices are making Chinese exports more competitive.

They added, however, that major changes in China's trade framework had blocked imports. Specifically, the abolition of the yuan's artificially strong official rate on Jan. 1 has cut into imports, they said.

**Growth Slows in Shanghai**  
Shanghai's economic growth slowed slightly in the first half of 1994, to 13.6 percent, as China's biggest city felt the effects of nationwide cooling measures, Agence France-Press reported from Shanghai. The city's GDP grew 14.9 percent last year.

From January to June, Shanghai's gross domestic product totaled 90 billion yuan (\$10.4 billion). The city's service industry accounted for 35 billion yuan.

**Fire Woes in Guangdong**  
The official China Daily reported that Guangdong province had the country's worst fire safety record, with fire damage growing at the rate of 80 percent a year for the past three years, Bloomberg Business News reported from Hong Kong.

In the first half of the year, there were more than 700 "fire disasters" in the province, the paper said.

## A Beleaguered Brewery

### Pakistan's Murree Bucks Prohibition

**RAWALPINDI, Pakistan** — M.P. Bhandara is a frustrated man. He manufactures a product that many want but few can buy. He cannot export nor advertise his wares, whose black-market price triples within hours of leaving the factory.

Mr. Bhandara is the chief executive of one of Pakistan's most curious anomalies: Murree Brewery Co. It is the only concern making beer and spirits in this Islamic country, where alcohol is officially banned for most of the population, but where demand is soaring.

"The company has always lived a little precariously," Mr. Bhandara wrote in his 1993 annual report. "Decisions pertaining to liquor can be sudden and capricious."

Murree, founded in 1861, is the oldest company in Pakistan. Legally, it can only sell its beer and spirits to non-Muslims through a few authorized dealers. It is not allowed to advertise its alcoholic products or to export them, under a ban by the Council of Islamic Ideology, which extends even to its own website, nonalcoholic beer.

Mr. Bhandara, not surprisingly, feels that Pakistan's prohibition laws are unfair. "We feel that all countries, irrespective of religious affiliation, should have access to some light intoxicant if they choose to do so," he said.

Many of Pakistan's Mus-

lims would agree. In upper-class homes, a shot of whiskey or a cold beer are common fare. But, to Mr. Bhandara's chagrin, the drink of choice for the well-heeled is often the imported, bootleg variety. Large amounts of foreign liquor are smuggled into Pakistan, by the container at Karachi's port, or on camelback across loosely guarded borders.

In lower economic classes,

**'Pakistanis are more concerned with high alcohol than taste.'**

M.P. Bhandara, chief executive of Murree Brewery.

however, which make up the bulk of Pakistan's 100 million people, many will pay a premium for a black-market bottle of Mr. Bhandara's Murree lager or heavier Murree Classic.

A single 30-rupee (93-cent) bottle of Murree Classic beer is available for 100 rupees (\$3.18) in Islamabad's black market on the evening of the day it leaves the factory, Mr. Bhandara said.

"A lot of ooo-Muslims make a living out of selling liquor to Muslims, and Muslims employ non-Muslim servants to obtain permits," Mr. Bhandara explained.

He estimated that hun-

dreds of black-market operators are making huge profits on his product. He also said that "enforcement of the National Prohibition Law varies from province to province and is subject to the law of whimsicality."

A hurdle that Mr. Bhandara said could be overcome was raising supply to meet demand. To do this he has been forced to take legal action, because Murree's production is limited by distillery laws forbidding more than one eight-hour shift a day.

Mr. Bhandara last month won permission from Punjab's Lahore High Court to lift a ban on a second shift for production of his popular nonalcoholic beers.

That restoration sent profit soaring in 1993. "The company did better last year than at any time in the past 30 years," Mr. Bhandara said in the annual report.

Murree's net profit was 23.1 million rupees, compared with 13.9 million the year before. Revenue rose 41 percent, to 387.6 million rupees.

"We can't keep up with demand for nonalcoholic beers," Mr. Bhandara said. "And the newly introduced Murree Classic beer has been a great success."

The high alcohol content of the classic — launched last year — is its main selling point, said Murree's chief brewer. "Pakistanis are more concerned with high alcohol than taste," he said.

## NBC Plans Business TV in Asia

**HONG KONG** — National Broadcasting Co., a unit of General Electric Co., said Tuesday it would begin an Asian business news satellite television service. It would be the second such service in the Asia-Pacific region.

NBC, which operates one of the four U.S. television networks, said its Asian business service, ANBC, would start broadcasting at the beginning of August to 15 countries in Southeast Asia. The service will feature business news programming from NBC's U.S. business news channel, CNBC.

ANBC will first be distributed through Australian Broadcasting Corp. from midnight to 8:00 A.M. Hong Kong time. The broadcasts will be live during hours when U.S. markets are open.

"It's a preview of what we are capable of doing down the road," Tom Rogers, President of NBC Cable & Business Development in New York told the International Herald Tribune on Tuesday.

Mr. Rogers also said the network planned to boost its Asian coverage in a bid to create more Asian programming targeted at "not just pan-Asian, but individual markets."

The NBC service will be competing with Asia Business News, a venture started eight months ago by Dow Jones & Co., Tele-Communications Inc., the Denver-based cable concern, and Television New Zealand Ltd.

(Bloomberg, Reuters)

### Investor's Asia

Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225
12,000	2,500	20,000
12,100	2,550	20,100
12,200	2,600	20,200
12,300	2,650	20,300
12,400	2,700	20,400
12,500	2,750	20,500
12,600	2,800	20,600
12,700	2,850	20,700
12,800	2,900	20,800
12,900	2,950	20,900
13,000	3,000	21,000
13,100	3,050	21,100
13,200	3,100	21,200
13,300	3,150	21,300
13,400	3,200	21,400
13,500	3,250	21,500
13,600	3,300	21,600
13,700	3,350	21,700
13,800	3,400	21,800
13,900	3,450	21,900
14,000	3,500	22,000

### Very briefly:

- Taiwan plans to sell 6.2 percent of shares in China Steel Corp. to overseas investors in September.
- Hopewell Holdings Ltd., the Hong Kong construction company, has delayed the opening of a 121-kilometer (75-mile) toll road linking the southern Chinese cities of Shenzhen and Guangzhou until Monday.
- Toshiba Corp. and Motorola Inc. plan to spend 27 billion yen (\$275 million) over the next five years to build a plant in Japan to produce microprocessors and integrated circuits.
- China has signed an air services agreement with Brazil that paves the way for direct flights between the two countries.
- Tokai Bank Ltd. predicted that Japan's economic recovery was likely to be held to only 1.2 percent expansion this year, half the government's official forecast.
- Solomon Brothers Inc. has opened its first office in Beijing and plans to focus on China's securities and project finance market.

(Bloomberg, AFP, Reuters, AFP)

## Japanese Banks Warned

**TOKYO** — Japanese banks may need 10 years to clear bad debts if they fail to implement "drastic measures" and may face possible downgrades on bond ratings, Moody's Investors Service Inc. said in a report.

Moody's said the absence of concerted government action had created a situation where risks related to the profitability and solvency of some banks have grown.

Moody's said it now assigned an average A2 rating on bonds issued by Japanese banks, down from the average Aa2 in 1990.

The Federation of Bankers Associations of Japan recently said the combined bad debts of Japanese banks rose to 13.66 trillion yen (\$140 billion) in the year to March 1994. (Bloomberg, AFP)

## CHINA: Weak Market Delays Shipper's Stock Issue

Continued from Page 11

offering by a Chinese concern.

"There is still a tremendous amount of interest" in Chinese companies, even though shares of some have plunged from their peak of late last year, said Mary Yee, a Smith Barney Inc. analyst, China "still offers huge growth potential," especially in companies that build the country's infrastructure, she said.

That interest has not been apparent to Asia in recent weeks. The prices of class B shares in China, which are reserved for foreign investors, have fallen about 38 percent this year because of concerns about China's economy and mounting debt problems at many state enterprises.

On Tuesday, Morgan Grenfell said China's State Administration of State Property complained the planned price was too low. The agency said Tuesday that an issue price was not permitted to fall below the value of a company's assets. Two previous offerings, however — by Kunming Machine Tool Co. and Tianjin Bohai Chemical Industry Co. — were issued below the former state-owned companies' net-asset values.

The state-owned cargo handler planned to sell 1.08 billion shares to fund expansion plans, including ship purchases.

(Bloomberg, Reuters)

## Thai Rail Project Stays Above Ground

**BANGKOK** — The Thai cabinet said Tuesday that the property developer Tanayong PLC could keep its entire mass-transit system route above ground, reversing an earlier ruling and cutting the cost of the project, analysts said.

Tanayong shares rose 7.8 percent on Tuesday, to 62.5 baht (\$2.50), with much of the gain coming in the final hour of trading as the government spokesman announced the decision.

"After so long, we essentially came down to two choices," said Athittat Vejjajiva, the government spokesman. "Let them go ahead with the project or use the power of the government and cancel it."

Tanayong holds one of three government concessions to build and operate a mass-transit system in Bangkok. None of the projects has progressed beyond the planning stage as a result of financial, contractual and environmental concerns.



**WWF World Wide Fund For Nature**  
(formerly World Wildlife Fund)  
International Secretariat, 1196 Gland, Switzerland.

Outside the industrialized west, no-one has to be told to respect their elders. It's simply the way society is organized.

Which is why WWF — World Wide Fund for Nature tries to work with older people in the villages of the rainforests. With WWF's help, they learn to teach the younger members of their communities about conservation.

In Kafue Flats, Zambia, it's Chief Hamusonde (93). Chief Bakary (78), is our man in Anjamihavanzana, northern Madagascar.

In Ban Klong Sai, Thailand, we invoke the Venerable Papasto Bhikkhu, seventy-three year old chief Buddhist monk.

This isn't just expediency, it's how WWF believes conservation projects should be run. Before you teach someone, we believe you have to learn from them.

We spend years visiting village after village, talking to the people, listening to them, living with them, understanding how they live their lives.

Only then are we able to gain the confidence of the village elders. Once they realise we're on their side, our elderly converts put forward the argument for conservation with a zeal that belies their years.

"Uncle" Prom (68), another of our Thai community leaders, tells us that he frequently gets scolded when he starts telling people in the market that they should leave the forests alone.

But he gets results.

Uncle Prom and his fellow villagers recently managed to prevent a new logging concession, and set up a community forest where tree felling is now forbidden.

Ninety-three year old Chief Hamusonde also makes things happen. Income from the Kafue Flats game reserve in Zambia is funding a school, a clinic and new water boreholes for the local villages.

In Madagascar, seventy-eight year old Chief Bakary's village makes

a profit by selling fruit grown in their new tree nursery.

More importantly, Chief Bakary's village now takes fewer trees from the rainforest because the nursery can provide firewood and poles for construction.

Not that we don't believe in catching them while they're young, WWF also organizes special training courses

to help teachers incorporate conservation into the curriculum. 20,000 primary teachers in Madagascar have already taken part. And WWF produce teaching aids as well as teachers.

We commission educational films, booklets, posters and videos in over twenty different languages. These are distributed

to schools and colleges all over the world.

If you can help our work with a donation or a legacy please write to the membership officer at the address opposite. You only have to look around you to see that the world still has a awful lot to learn about conservation.



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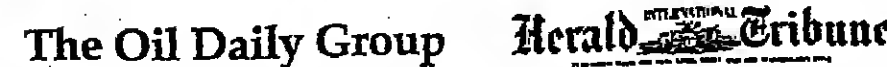
**July 12, 1994**

Quotations supplied by funds listed. Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price.

The marginal symbols indicate frequency of questions supplied: (a) - daily; (w) - weekly; (b) - bi-monthly; (t) - fortnightly (every two weeks); (r) - regularly; (i) - irregular weekly; (m) - monthly.

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# SPORTS

## No Strike Date Set By Players — Yet

By Murray Chass  
New York Times Service

PITTSBURGH — The head of the baseball players' union said the players would have to think about not striking later this season if the owners pledged not to implement a salary cap after the season. But the owners' chief labor executive said there was no chance the owners would take such a step. "Baseball will be in one heck of a mess if we get to Nov. 1 without an agreement," Richard Ravitch said at a news conference Monday after one held by Donald Fehr, the players' labor leader. "The owners will not continue under the current economic system. If we reach a genuine impasse, I see no reason why we should forego the remedies that are available to us under the law."

Those remedies include declaring an impasse and unilaterally imposing new terms and conditions. In other words, the owners could institute the salary cap they have proposed. The players are poised to strike because they don't want to enter the off-season without a new collective-bargaining agreement and thus be defenseless to stop the owners from implementing a salary cap.

The executive board, meeting for nearly five hours, did not set a strike date. Fehr, however,

said players on enough clubs, about three-fourths, have voted so that the executive board has authorization to set a date.

"I believe we have enough results in that as a practical matter that decision has been made," Fehr said. "The results so far are virtually unanimous. The executive board will consider that on an ongoing basis and maybe do something toward the end of the month."

He said the player representatives discussed possible dates, saying a "wide range of possibilities came up."

There was some range of opinion about what date makes the most sense," he added. "But there's no dispute that if you have to do it, do it."

Dates in mid-August and early September have been widely mentioned by players, but Fehr said: "The purpose of setting a strike date isn't to set a date on which one goes out. It's a date by which you want to reach an agreement."

Discussing the ramifications of a strike, Ravitch said, "The owners believe it would be an act of immolation by the players to strike a long time."

The players were not about to set a negotiating deadline until they made proposals to the owners. Fehr said they plan to do that at a bargaining session Thursday or Monday.



Choked up? Mike Piazza, the only player who didn't homer in the All-Star homer contest.

## Baseball's Good and Bad: On Display in Pittsburgh

By Mark Maske  
Washington Post Service

PITTSBURGH — Much of what's wrong with baseball these days was on display at a Pittsburgh hotel, with the executive committee of the Players Association meeting as part of the buildup to an almost-certain late-season strike.

And much of what's right with baseball these days was on display — mostly on the American League side of the field — a few miles away at Three Rivers Stadium, where the 65th All-Star Game was to be played Tuesday night. Jimmy Key of the New York Yankees was the scheduled American League starter and the Atlanta Braves' Greg Maddux was the opener for the National League. The AL was attempting to extend its best All-Star winning streak over to seven games.

The threat of a strike and the recent dominance of the AL were among the leading topics of conversation here on Monday, as the two teams gathered for workouts and All-Star festivities.

Those two subjects are interwoven this season, for two of the American League's brightest stars (Seattle Mariners outfielder Ken Griffey Jr. and Chicago White Sox first baseman

Frank Thomas) are in hot pursuit of Roger Maris's home run record of 61, compared with one for the National League (San Francisco Giants third baseman Matt Williams). The AL has the game's best arriving-at-their-prime players nowadays, and the NL is left to defend itself at gatherings like this one.

Griffey, 24, has 33 homers this season, putting him on a pace to hit 61. The 26-year-old Thomas (with 32) and Williams (with 33) are on course to blast 60 home runs apiece. But Williams is hitting just .251. Griffey is at .329, and is one of baseball's most graceful center fielders. Thomas is chasing 400 and may be one of the game's most patient and selective power hitters ever.

"Every All-Star team is special," said Cal Ripken, the Baltimore Orioles' shortstop. "But it seems like there are some real up-and-coming guys in our league now. Griffey and Thomas, they do unbelievable things, and they're only beginning to tap into their talent."

Griffey and Thomas were the ones drawing the most reverent reactions from the crowd during the home run-hitting contest, which has become the most popular attraction. Surrounding the game and was

won by the American League on Monday, 17-11. Griffey produced seven homers in 17 swings; five of them were launched into the upper deck in right field. Thomas had four homers in 14 swings, and two of them were estimated at more than 500 feet (150 meters).

Griffey and Thomas also were the ones being asked about the potential of a strike in August or September cutting short their chase of Maris. Their answers were nearly identical: "No one player or two players are bigger than the game," Thomas said. "It's our union, too. There are bigger issues to be taken care of."

Said Griffey: "If there's a strike, there's nothing I can do. I support the union, like 98 percent of us do."

The National League won 19 of 21 All-Star games through 1982. Since then, though, the American League has captured eight of 11. The AL has won seven of the past eight games. "This is supposed to be a fun thing, but you feel some pressure too, if your league has been losing these games," said Ripken, who will be making his 12th All-Star appearance and 11th consecutive start for the AL at shortstop.

## Mariners' Johnson: Nightmare on the Mound

By Claire Smith  
New York Times Service

NEW YORK — A nightmare. Enough to question one's faith.

That's the general mix of alarm, apprehension and dismay major league batters feel when they have the privilege of stepping in against Randy Johnson, the Seattle Mariners left-hander who has raised the art of pitching and winning through intimidation to new heights.

Being 6 feet, 10 inches (208 centimeters) has helped. Johnson, along with the Mets' 6-10 Eric Hillman, who is now back in the minor leagues, are the tallest major leaguers ever.

Height alone has given Johnson an intimidating presence from the moment he entered the majors as a member of the Montreal Expos in 1988. And a fastball that travels up to 100 miles (160 kilometers) an hour enlarges the fear factor, especially if you're a left-handed hitter who has to fight the feeling that Johnson's sidearm missile is headed right at your head.

"You can do it," said Ozzie Guillen, the Chicago White Sox shortstop. "But some days, you'd rather commit suicide. I mean, it's crazy."

Johnson is 10-4 for the season, and is a member of the American League All-Star team for the third time in five seasons. Last year, Johnson was 19-8, struck out a major-league high of 308 hitters and became the first left-hander in 21 years to reach the 300-strikeout plateau.

In the history of the game, only one pitcher has had a better ratio of strikeouts to nine innings pitched. That pitcher was Nolan Ryan, whose ratio was 9.59, compared with Johnson's 9.44 and the 9.28 for Sandy Koufax, who stands third.

And, like Ryan and Koufax, Johnson is starting to compile defining moments. Such as the one in last year's All-Star Game in Camden Yards.

Johnson, who had entered the game as a reliever in the third inning, threw his first pitch to John Kruk over Kruk's head. Kruk, the left-hitting first baseman for the Phillies, was literally laughing and hailing out on each pitch after that. He eventually struck out,

feebly swinging at strike three while trying to stand closer to the on-deck circle than the batter's box.

Kruk offered no excuses that night in Baltimore, concluding that he would much rather escape his confrontation with Johnson intact rather than look good. And a year later, Kruk still does not underestimate the inherent dangers of facing such a pitcher.

"It's a nightmare," he said last week. "You don't pick up the ball because he's 7 feet tall," Kruk said. Besides, Kruk dead-panned, "He ain't pimpled."

It is that frightening. And a lot to deal with. And fewer and fewer left-handed hitters are willing to try. Don Mattingly of the Yankees still gets into the batter's box against Johnson. But not until he gets his game plan together and his mind right.

"The biggest thing for a left-handed hitter is to decide that you're going to stay in and you're not going to bail out on him," Mattingly said. "Once that goes into your mind, from there it's just trying to get to a pitch you can hit. You're looking fastball all the way. If he gets his breaking ball over, he can be very tough."

Mattingly, illustrating that it's not just logistics with Johnson, then backtracked. He wanted to make a point again. "But the biggest thing is the decision that you're not pulling off this guy, that you're going to stay on him," Mattingly said. "Not because of the height, but because he's wild. He throws the ball all over the place and he's throwing 98 to 100 miles per hour. So, you have to say, 'Hey, I can't be afraid.'"

Lou Piniella, a former hitting instructor of note and now the Mariners' manager, admits he couldn't instruct hitters much differently about facing his star pitcher.

"What can you tell them?" Piniella said. "About the only thing is, I guess, to make him throw strikes. But if he's throwing strikes and he's getting his breaking ball over, you're on your own."

And the 30-year-old Johnson, who used to regularly lead the American League in walks allowed, has been harnessing the breaking ball with a lot more frequency in recent years.

"I don't think people realize just what a good pitcher this guy is," said Goose Gossage, a veteran reliever who is a teammate of Johnson's. "There are

very few guys who have a 100 miles per hour fastball and can pitch to spots. He's the first guy I've ever seen with this kind of ability."

That Johnson has more command now than in his earlier years in the majors offers little comfort to hitters. "He's wild, but he knows where the ball is going and he uses that to intimidate people," Guillen said. "It's a part of his game. But you strike out 300 people, you can be that wild."

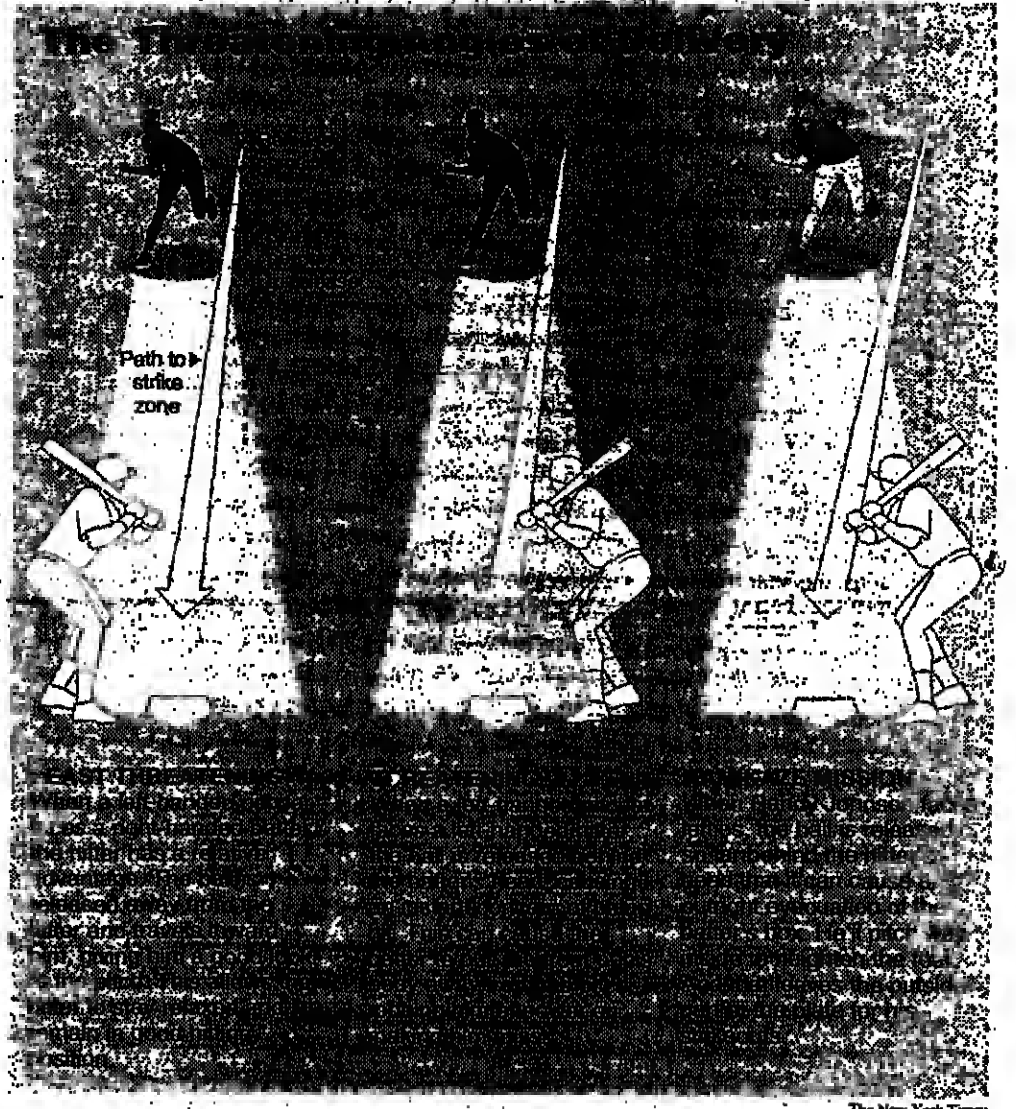
Some players, who, for obvious reasons, would rather not be identified, say Johnson uses the fear factor too much. Like Dennis Eckersley, Johnson will taunt strikeout victims. But, said one American League pitcher, even though batters would like to return the taunts in kind, they do not — for fear of the next at-bat against Johnson.

"Some of the stuff I watch I have trouble with," said one American League hitter who requested anonymity. "I have respect for his ability, but I think if the guy's got that good a stuff, throwing strikes is enough."

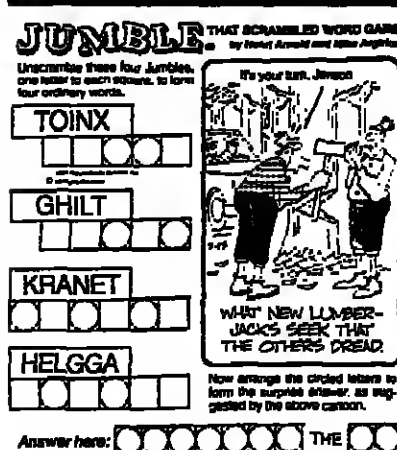
Johnson says he is being misconstrued, that he's a free spirit merely celebrating good pitches. What is not misconstrued is the intimidation, just as it was in Ryan's case. Like Ryan, Johnson terrorizes hitters, not only with talent and speed, but with that scatter-gun location. And like Ryan, Johnson had to first learn to use the talent and the fear factor before finding a sublime balance.

"Randy and I have had numerous conversations about his size and how much harder he has to work than the normal pitcher," Piniella said. "He's got many more areas to keep fine-tuned and to keep in good condition. To get everything going just right for a 6-foot guy is hard. To add 10 inches to that is much more difficult."

Ryan, while still pitching for Texas, helped Johnson increase his comfort with his height and the power. And Ryan pointed out a slight problem with the pitcher's footing, a correction that literally moved Johnson's pitches into the strike zone. "You can see what it's done for him," Piniella said.

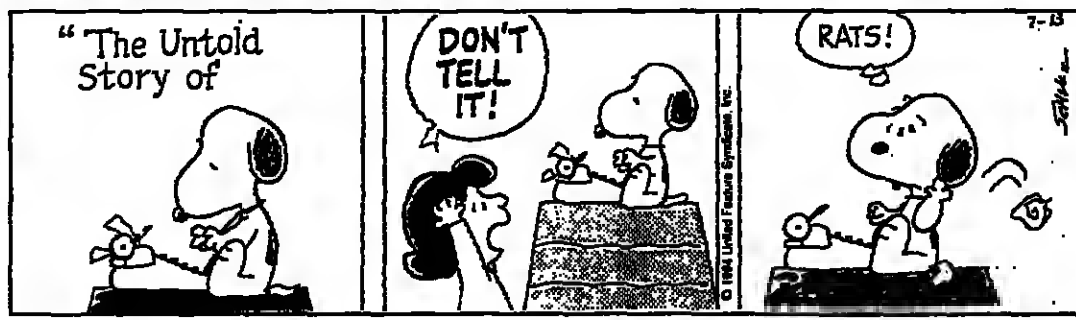


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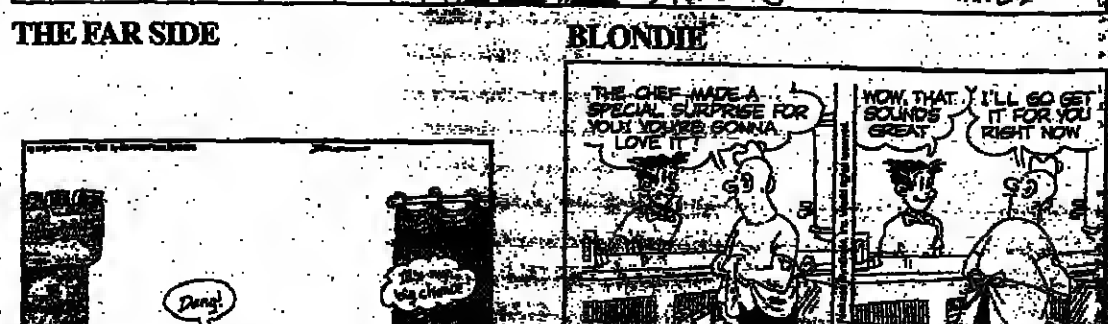
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## SPORTS

# Going the Distance With 'Big Mig'

## Indurain May Be Untouchable, but French Win a Stage

By Samuel Abt

International Herald Tribune

CAHORS, France — Anybody out there planning to form a Miguel Indurain Fan Club, please remember to send a membership application to Lance Armstrong.

"Big Mig," the American rider exclaimed Tuesday morning. "Too much! The man is just too strong."

That was the consensus throughout the Tour de France pack, which continued to talk about nothing except the Spaniard's show of force in the individual time trial on Monday.

"He's untouchable," said Jim Ochowicz, Motorola's general manager. "He dominated the pack and you have to wonder whether anybody still thinks he can be beaten."

By wiping out the field, Indurain demonstrated that he had regained the form that has led to three successive victories in the Tour. His methodology is always the same: win the first long

race against the clock by a big margin, cow his rivals and then stay with them in the mountains.

"I don't think Rominger will be able to lose him in the mountains," Armstrong continued, referring to Tony Rominger, the Swiss rider who is in second

place, 2 minutes, 28 seconds behind. Everybody else in the 175-man field is considered to be battling for third place, barring accident or other unforeseen disaster for Indurain, a Spaniard who rides for Banesto.

Although he has already won the 81st Tour in the group consciousness, the rules are somewhat rigid and insist that he cannot be crowned until the finish in Paris on July 24. So the Tour resumed Tuesday, moving 160.5 scenic kilometers (100 scenic miles) from Bergerac to Cahors in the southwest.

And, surprise! surprise! a rider put France back in the Tour de France.

On the 10th of 21 stages, Jacky Durand of the Castorama team was the first Frenchman to climb to the victory podium.

To the cheers of tens of thousands of his fellow citizens, Durand cruised across the line alone and waving gleefully.

He was timed in 3 hours, 38 minutes, 11 seconds, a rapid 44.1 kilometers an hour (25 mph) on a steady day without a wisp of wind. Marco Sarpellini, an Italian with Lampre, was second, 55 seconds later, and Stephen Hodge, an Australian with Festina, was third, 4 more seconds behind.

Durand's victory was deserved since he, wearing the blue, white and red jersey of the French champion, has attacked often during the Tour. Other French riders have not been — how you say it? — *energetic*.

Their lack of results mirrors the French performance in last year's Tour, the race they invented in 1903. France scored one stage victory last year and had no rider higher than 15th at the end. No Frenchman has won the Tour since 1985.

In all, this has been a dismal year for French athletes, who left the Winter Olympic Games with just one silver medal and three bronzes and failed even to qualify for soccer's World Cup.

No wonder, then, that Durand's victory stirred the crowd.

The pack appeared 1:55 after the victor and there was just one change in the main overall standings as Gianluca Bortolami, an Italian teammate of Rominger's with Mapei-Cas, moved from fourth place to third. Bortolami finished fifth after a long four-man breakaway was ignored in the heat by all save three chasers.

Indurain continued to look

serene in the leader's yellow jersey. "The Extraterrestrial," proclaimed the daily sports newspaper L'Equipe, using the word first applied to him by a rival, Gianni Bugno, after the Spaniard overwhelmed the pack in the first time trial in the 1992 Tour.

Armstrong can vouch for the description.

"He just killed me, blew my head off," said the Motorola rider, who left two minutes before Indurain in the race against the clock and was passed after 16 of the 64 kilometers. "I knew he'd catch me but I didn't think he'd do it so soon."

Armstrong was equally impressed by the Spaniard's seeming lack of effort.

"I was up out of my saddle, really working," he reported, "and Indurain was sitting down. Calm. I tried to stay with him and did for a while but then I just couldn't. He was going at 53 Ks."

At the finish, when he was still strong enough to sprint for the line, Indurain was traveling a bit slower. His speed averaged 50.5 kilometers per hour, about as fast as a car can travel safely on the narrow and curving road.



Jacky Durand, the French national champion, gave his country a Tour stage victory on Tuesday in Cahors.

# 3d Man Sentenced

## In Kerrigan Attack

The Associated Press

PORTLAND, Oregon — The bodyguard who admitted plotting to injure the figure skater Nancy Kerrigan has been sentenced to 18 months in prison by a judge who called him stupid.

Shawn Eckardt, who worked occasionally as Tonya Harding's bodyguard, told cohorts that they would get rich running a bodyguard service for figure skaters worried about their safety after the Kerrigan attack.

"Mr. Eckardt, you have become a very well-known person," Circuit Judge Philip Abraham said before pronouncing sentence on Monday.

"There are adjectives that can be added to your name, something like infamous, notorious, greedy, dishonest, even stupid."

Before he left the courtroom in handcuffs, Eckardt made an unsuccessful attempt to delay the sentencing, dismissed his attorney and verbally assailed a prosecutor.

Eckardt, who turns 27 next Monday, pleaded guilty to racketeering on May 3. At the same time, his co-defendants, Shane Stant and Derrick Smith, pleaded guilty to conspiracy to commit second-degree assault.

They and Harding's former husband, Jeff Gillooly, have admitted that they conspired to injure Kerrigan to knock her out of the U.S. Figure Skating Championships in Detroit. The plan was to clear the way for Harding to win the championship and secure a spot on the Olympic team.

Kerrigan was struck above the right knee on Jan. 6. Two days later, with Kerrigan out of the competition, Harding won the title and went on to finish eighth in the Olympics. Kerrigan won the silver medal.

Two weeks ago, Harding was stripped of her title by the U.S. Figure Skating Association.

Stant, the hit man, and Smith, his uncle, who drove the getaway car, began their 18-month prison sentences immediately after entering their pleas.

The case should come to a conclusion Wednesday when Gillooly is scheduled for sentencing.

Eckardt's new attorney, Brad Grove, said his client was upset by the treatment given Harding, who was placed on three years' probation and ordered to pay \$160,000 after she admitted hindering the investigation.

## SIDELINES

# Haarhuis Out of Davis Cup Singles

ROTTERDAM (Reuters) — Paul Haarhuis will be left out of the singles in the Netherlands' Davis Cup quarterfinal match against the United States this weekend, Coach Stanley Franker said Tuesday.

Haarhuis, ranked 27th in the world, will appear only in the doubles. Richard Krajicek, ranked 26th, and Jacco Eltingh, 51st, will play the opening singles on Friday. Franker said Krajicek and Eltingh were better than Haarhuis at serve-and-volley tennis, which was most effective on the medium-fast hardcourt being used in Rotterdam. Haarhuis and Eltingh are the top-ranked doubles pair in the world.

• Cedric Pioline, France's top-ranked player and No. 16 in the world, will make his Davis Cup debut in the quarterfinal tie against Sweden this weekend. Armand Boetsch will play the second singles on Friday and will team up with Olivier Delaite for the doubles on Saturday.

• Sweden's Davis Cup squad has been hit by another injury, with Magnus Larsson following Magnus Gustafsson in pulling out of the quarterfinal against France. A Swedish Tennis Federation spokeswoman said Henrik Holm, Jan Apell and Jonas Bjorkman would join Stefan Edberg in the four-man squad.

# Tyson Again Seeks Early Release

INDIANAPOLIS (AP) — Mike Tyson has asked a judge to reconsider her decision not to let him out of prison early, saying he knows the behavior that led to his conviction on rape charges was "inexcusable."

Superior Court Judge Patricia Gifford refused to grant Tyson early release from prison after a three-hour hearing June 10. She said Tyson had not completed the necessary education requirements.

Tyson was sentenced in March 1992 to six years in prison. The former heavyweight champion is scheduled to be released in May 1995.

# Ex-Champ Douglas Out of Hospital

COLUMBUS, Ohio (AP) — The former heavyweight champion James (Buster) Douglas was released Monday from a hospital, one week after being admitted to the coronary care unit with diabetes.

Douglas was at his Columbus home on July 6 when he became ill and was taken to a hospital. He was diagnosed with diabetic keto-acidosis, common in people unable to produce insulin. Douglas won the heavyweight title with a stunning knockout of Mike Tyson in Tokyo in February 1990. Eight months later, he was knocked out by Evander Holyfield in Las Vegas.

# For the Record

Nigel Benn, the World Boxing Council super-middleweight champion, will defend his title for the sixth time against the former champion, Darrin Van Horn, in Birmingham, England, on Sept. 10.

The Brickyard 400, the first stock-car race at the Indianapolis Motor Speedway, scheduled for Aug. 6, will very likely pay more than \$3 million, a bigger purse than the Daytona 500. (NIT)

# In Drowses, U.S. Golfers Chose Not to Brave the British Open

By Leonard Shapiro

Washington Post Service

TURNBERRY, Scotland — When the wind is howling off the Firth of Clyde, when the rain is slapping at your face in vertical sheets, when a perfectly struck drive hits a mound in the middle of the fairway and takes a cockeyed bounce into the high hay, it is not difficult to understand why the British Open at Turnberry may offend the sensibilities of many of America's pampered pros used to the lush lies and lovely locales they play in the paradise known as the PGA Tour.

Maybe that's why many stayed home this year from the 125th Open that begins Thursday at the fearsome Ailsa course. Ailsa was once a landing field and training center for the Royal Air Force during World War I and II and is now part of a 115-bed luxury hotel and spa complex owned these days by Japanese investors.

There are 41 Americans entered in the field of 156, down from 45 a year ago. Of the top 50 Americans on the PGA Tour's money list, 21 have chosen not to participate, even if this is the oldest and arguably most prestigious of the four major championships of golf.

Tom Kite, for one, doesn't understand the reluctance of some of his compatriots to try to make it into the field any way they can.

"One of the prerequisites to win a major is to enter the damned thing," he said. "You are not going to win a British Open by correspondence. Winning is what it's all about, and winning major championships is what all the top players are trying to do. There's only a limited number you get to play in a lifetime of golf."



Americans Lee Trevino, Ben Crenshaw and Tom Watson at Turnberry on Tuesday.

Though 45 of the top 50 players in the world rankings are entered, among the best Americans not playing include Fred Couples (No. 5), Paul Azinger (6), Hale Irwin (29), Jay Haas (40) and Curtis Strange (50). Also among the missing are long-time favorites of these boisterous British galleries like Lanny Wadkins and Raymond Floyd.

All of them had their reasons. Couples still has pain in his back and was concerned that a long flight and raw, rainy conditions could make it worse. Azinger has missed the entire season battling cancer in his shoulder and has been pointing toward the PGA Championship in August, in which he is defending champion, as his comeback.

Irwin, No. 5 on the U.S. money list and very much in contention at Oakmont last month to win his fourth U.S.

Open, is suffering from tendonitis and needs a rest.

Floyd has been concentrating his efforts on the Senior Tour and also missed the U.S. Open. Wadkins is playing badly this year, 176th on the money list. He's had an inner ear infection that makes air travel difficult. And the chances of turning his game around on this course are negligible, so he will not make the trip.

Strange, a two-time U.S.

Open champion, has never much liked this event — the travel, the expense, the style of golf. Still, he said he was looking forward to playing here. On Friday, he withdrew.

"I'm surprised Curtis Strange is not here," Kite said, without elaborating. He didn't have to. Strange is with his family at the beach in North Carolina for two weeks and was not available for comment.

With the exception of Haas, all of the above were exempt from qualifying for the tournament. That's another reason many of the American pros who aren't exempt aren't here. There are two tough days of qualifying competition at four different courses. This year, 22 Americans tried and only four — Peter Jacobsen, Francis Quinn, Howard Twitty and Kirk Triplett — made it.

"It's not just a walk in the park," said Corey Pavin, who has had to qualify twice for this event, failing once and getting in for the '90 tournament at St. Andrews after a 13-man playoff for 10 spots. He finished eighth that year and fourth last year at Royal St. George's. At No. 12 in the world, he's the highest ranked American playing this week.

"It's a big expenditure to come here and qualify, a sizeable expense," he said. "When I came over in '90, I brought the whole family over. It was a big risk, but one I was willing to take. It's just not a given that you'll qualify."

"A lot of people feel like they want to take a week off and get ready for the next tournament," he added. "It's just hard to come here and qualify. They play it Sunday-Monday, so you have to get here on the Thursday before to

get over the jet lag and practice a little. You probably can't play the week you come home, so you lose a three-week stint."

"Guys who aren't exempt on Tour are trying to keep their cards," he said. "Missing three weeks is tough."

It has also become exceedingly difficult for Americans to win this event. Only one, Mark Calcavecchia in 1989 at Troon, has taken home the Claret Jug in the last 10 years.

This week, the English bookmakers have installed Greg Norman of Australia, the defending champion, as the favorite at 9-to-1, with Nick Faldo of England and Bernhard Langer of Germany next at 12-to-1. Kite, Pavin, John Daly, Phil Mickelson and Tom Lehman are the leading Americans, at 33-to-1.

Lehman, runner-up at the Masters and the leading American money-winner entered here this week, said Tuesday: "If I was exempt to play here, I'd always come. To me, the thrill of playing here, on these kind of courses, I could never pass it up."

"This is the first true links course I've ever played in Scotland," he added. "You want to see it when the wind blows, when the rain is coming in sideways. You see a bunker and you say to your caddy, 'Why is that bunker there, no one's going to hit that.' Then the wind blows and you hit it 195 and you're in the bunker. Then you know why it's there."

And that's why Lehman is here this week, and loving every minute of it. He played 36 holes on Monday and was planning more of the same Tuesday, despite an all-day rain.

"I couldn't miss it," he said.

## SCOREBOARD

## All-Star Game Roster

## AMERICAN LEAGUE

## STARTERS

Catcher — Ivan Rodriguez, Texas  
First Base — Frank Thomas, Chicago  
Second Base — Roberto Alomar, Houston  
Third Base — Wade Boggs, New York  
Shortstop — Cal Ripken Jr., Baltimore  
Outfield — Joe Carter, Toronto; Ken Griffey Jr., Seattle; Kirby Puckett, Minnesota

## RESERVES

Catcher — Mickey Vernon, Detroit  
Infielders — Will Clark, Texas; Scott Cooper, Boston; Travis Fryman, Detroit; Chuck Knoblauch, Minnesota  
Outfielders — Albert Belle, Cleveland; Chili Davis, California; Kenny Lofton, Cleveland; David Collier, Toronto; Paul O'Neill, New York; Ruben Sierra, Oakland

## PITCHERS

William Alvarez, Chicago; Jason Bere, Chicago; Ricky Bones, Milwaukee; David Cone, Kansas City; Pat Hentgen, Toronto; Randy Johnson, Seattle; Jimmy Key, New York; Mike Mussina, Baltimore; Lee Smith, Baltimore; Tim Lincecum, Seattle; Dwight Gooden, New York; Pedro Martinez, Boston; Tim Lincecum, Seattle; Dwight Gooden, New York; Pedro Martinez, Boston

## NATIONAL LEAGUE

## STARTERS

Catcher — Mike Piazza, Los Angeles  
First Base — Greg Jeffers, St. Louis  
Second Base — Mark Grace, Philadelphia  
Third Base — Jeff Bagwell, Houston  
Shortstop — Ozzie Smith, St. Louis  
Outfield — Barry Bonds, San Francisco; Larry Doby, Philadelphia; David Justice, Atlanta

## RESERVES

Catcher — Darrin Fletcher, Montreal  
Infielders — Jeff Bagwell, Houston; Craig Biggio, Houston; Ken Caminiti, Houston; Wally Pfister, Houston; Carlos Garcia, Pittsburgh; Barry Larkin, Cincinnati; Fred McGriff, Atlanta  
Outfielders — Andres Abo, Montreal; Dante Scifetta, Colorado; Jeff Conine, Florida

## PITCHERS

Rod Beck, San Francisco; Doug Drabek, Houston; Ken Hill, Montreal; John Holm, Houston; Danny Jackson, Philadelphia; Doug James, Philadelphia; Greg Maddux, Atlanta; Randy Myers, Chicago; Jose Rijo, Cincinnati; Scott Strickland, New York

## All-Star Game Bonuses

Bonuses awarded by players for being elected or selected for Tuesday's All-Star game

## AMERICAN LEAGUE

\$10,000 — Kirby Puckett, Minnesota  
\$5,000 — Roberto Alomar, Toronto; Wade Boggs, New York; Yankees; Joe Carter, Toronto; Ken Griffey Jr., Seattle; Pat Hentgen, Boston; Randy Johnson, Seattle; Jimmy Key, New York; Yankees; Chuck Knoblauch, Minnesota; Cal Ripken Jr., Baltimore  
\$2,500 — Albert Belle, Cleveland; Ricky Bones, Milwaukee; Scott Cooper, Boston; Travis Fryman, Detroit; Kenny Lofton, Cleveland; Paul O'Neill, Toronto; Mike Piazza, Los Angeles; Paul O'Neill, New York Yankees

## NATIONAL LEAGUE

\$10,000 — Kirby Puckett, Minnesota  
\$5,000 — Roberto Alomar, Toronto; Wade Boggs, New York; Yankees; Joe Carter, Toronto; Ken Griffey Jr., Seattle; Pat Hentgen, Boston; Randy Johnson, Seattle; Jimmy Key, New York; Yankees; Chuck Knoblauch, Minnesota; Cal Ripken Jr., Baltimore  
\$2,500 — Albert Belle, Cleveland; Ricky Bones, Milwaukee; Scott Cooper, Boston; Travis Fryman, Detroit; Kenny Lofton, Cleveland; Paul O'Neill, Toronto; Mike Piazza, Los Angeles; Paul O'Neill, New York Yankees

## Japanese League

Central League W L T Pct. GB  
Yomiuri 48 29 0 .620 0  
Yokohama 46 31 0 .597 2  
Fukuoka 45 32 0 .584 3  
Hanshin 44 33 0 .571 4  
Toei 43 34 0 .558 5  
Chunichi 42 35 0 .545 6

## Pacific League

W L T Pct. GB  
Hiroshima 47 30 0 .610 0  
Yokohama 46 31 0 .597 1  
Fukuoka 45 32 0 .584 2  
Hanshin 44 33 0 .571 3  
Toei 43 34 0 .558 4  
Chunichi 42 35 0 .545 5

## CYCLING

## Tour de France

Results Tuesday of the 198-mile 18th stage from Bergerac to Cahors with cyclists' names

Yokohama 34 36 0 .484 1  
Hiroshima 32 38 0 .453 2  
Fukuoka 31 39 0 .441 3  
Hanshin 30 40 0 .429 4  
Toei 29 41 0 .416 5  
Chunichi 28 42 0 .404 6

## Tuesday's Results

Yokohama 34 36 0 .484 1  
Hiroshima 32 38 0 .453 2  
Fukuoka 31 39 0 .441 3  
Hanshin 30 40 0 .429 4  
Toei 29 41 0 .416 5  
Chunichi 28 42 0 .404 6

## Tuesday's Results

Yokohama 34 36 0 .484 1  
Hiroshima 32 38 0 .453 2  
Fukuoka 31 39 0 .441 3  
Hanshin 30 40 0 .429 4  
Toei 29 41 0 .416 5  
Chunichi 28 42 0 .404 6

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COUNTRIES	ACCESS NUMBERS	COUNTRIES	ACCESS NUMBERS	COUNTRIES	ACCESS NUMBERS	COUNTRIES	ACCESS NUMBERS
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Kenya	0000 12	American Samoa	633-1000	Austria	1-800-877-8000	Egypt	356-4777
South Africa	8-800-99-0001	Armenia	008-551-1110	Belgium	1-800-877-0877	Israel	177-102-2729
<b>AMERICAS</b>		Australia	1-800-881-8277	Bulgaria	1-800-877-7087	Lebanon	000-777
Argentina	001-800-777-1111	China	106-13	Canada	1-800-877-7087	Qatar	0000-1-447
Bahamas [Phone]	556	Hong Kong	003-1177	Croatia	001-800-777-7418	Saudi Arabia	000-777
Bahamas [Pay phone]	556	Hong Kong	011	Czech Republic	1-800-277-7418	Turkey	0000-1-447
Bolivia	000-333	India	000-4-37	Denmark	001-800-777-7418	United Arab Emirates	000-777
Brazil	000-816	Indonesia	001-801-15	Egypt	001-800-777-7418		
Canada	1-800-877-4000	Japan	009-13	France	001-800-777-7418		
Chile	000-6037	Japan	006-25-57	Germany	001-800-777-7418		
Colombia - English	000-130-010	Korea	006-16	Greece	001-800-777-7418		
Colombia - Spanish	000-130-110	Korea	006-16	Hungary	001-800-777-7418		
Costa Rica	163	Latvia	000-13	Ireland	001-800-777-7418		
Cuba	171	Malaysia	000-13	Italy	001-800-777-7418		
Cuba	171	Mexico	000-13	Latvia	001-800-777-7418		
Cyprus	195	New Zealand	000-13	Lithuania	001-800-777-7418		
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Honduras	001-800-121000	Philippines (PHN)	000-13	Netherlands	001-800-777-7418		
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# SPORTS WORLD CUP

## Reversal of Fortune: Can Brazil End 24-Year Drought?

By Jere Longman  
New York Times Service

**FULLERTON, California**—Carlos Alberto Parreira, Brazil's coach, used a security-guard escort for his crowded news conference, but at least his inquisitors were asking questions this time instead of demanding changes.

Twelve days earlier, he was Pariah, not Parreira, having subjected his country to a "national tragedy" by drawing 1-1 against Sweden in the first round of the World Cup. The ovens media, Polé, President Itamar Franco, even Parreira's own mother were calling for changes in the lineup. Now, with Sweden on the schedule again in Wednesday's semifinal, Parreira has reversed his fortunes. He is a momentary hero, a rainmaker on the verge of ending Brazil's 24-year title drought.

Victories over the United States and the Netherlands have followed that draw with Sweden. Brazil has advanced to the semifinals for the first time since 1978. Ginga soccer, soccer with panache, resurfaced in the second half against the Dutch, and there is confident dancing again in the streets of Rio. Germany is also gone, leaving Brazil as the clear favorite to win its fourth World Cup. Of course, anything less will mean total failure.

"Being a football coach is my life; it's a pleasure," Parreira said. "Being coach of Brazil in the World Cup is something else. It's a compromise, it's a commitment, it's a death sentence sometimes. You cannot have fun. Only if you succeed will there be full pleasure."

This is serious business, and the bright, funny Parreira is a serious man. During the World Cup, he has given up his other passion, painting. He has even turned in his cellular phone to avoid any distracting calls. He is here for one reason. To win.

How do you remain so calm? someone asked.

"That's on the outside," he said. "I'm boiling inside."

The pressure builds like steam inside a kettle. Sweden is the one team that Brazil has not defeated in its five 1994 World Cup games. Sweden is the last roadblock between Brazil and its first final since 1970.

"This is a big test," Parreira said. "We have to make this

game and get to the final. We are dreaming of the final for so many years."

In almost every way, this match will be different from that first-round game. It was played indoors at the Pontiac Silverdome in Michigan; the semifinal will be played outdoors at the Rose Bowl in Pasadena, California, where the field will be three or four yards wider, giving Brazil more room to operate when Sweden packs its wonderfully organized defense.

That first game was nothing more than an exhibition, really. Both Brazil and Sweden had qualified for second round, and the only matter to settle was who would win Group B and who would be second. Sweden scored first on a goal by forward Kenneth Andersson and Brazil equalized early in the second half on a goal by Romário, outshooting the Swedes by 19-8.

Again, Brazil will have to be alert for the long balls and crosses intended for the 6-foot-4-inch (193-centimeter) Andersson, a nobody before this tournament began, a vaulting threat on headers oow, as Romania will forlornly attest. It was Andersson's leaping goal over time that forced the quarterfinal Sunday into penalty kicks, where Sweden prevailed, 5-4, on endurance and tenacity.

"Andersson has been one of the revelations of the cup," Parreira said.

Sweden will be without the midfielder Stefan Schwarz, who collected two yellow cards against Romania, and it may be without midfielder Janas Thern, who sat out the quarterfinal with a knee injury. Martin Dahlin, the star striker who became the starting forward for the German first division club Borussia Mönchengladbach, they were dubbed "The Black Power Target Line." Earlier in his career, while playing for Swedish first division club Malmö, Dahlin was jeered by some opposing fans. You can guess why.

Dahlin shrugged. Yes, he knew he was Sweden's first black soccer player of any renown. "But," he said, "I play football. I don't think much about color."

Neither, it seems, do most Swedes—at least not anymore. Dahlin's colleagues on the national team certainly don't. "I didn't think of him as the first black—I didn't know it," said mid-



Coach Carlos Alberto Parreira, left, instructing the Brazilian team, which will meet Sweden in Wednesday's semifinal.

## Color Barrier? Not for Swedes and Dahlin, Their 'Black Pearl'

By Steve Berkowitz  
Washington Post Service

**MARINA DEL REY, California**—Martin Dahlin has been called "Sweden's black pearl."

When he and Togo's Bachirou Salou became the starting forwards for the German first division club Borussia Mönchengladbach, they were dubbed "The Black Power Target Line." Earlier in his career, while playing for Swedish first division club Malmö, Dahlin was jeered by some opposing fans. You can guess why.

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Neither, it seems, do most Swedes—at least not anymore. Dahlin's colleagues on the national team certainly don't. "I didn't think of him as the first black—I didn't know it," said mid-

fielder Henrik Larsson, who is younger than Dahlin and is also black. "If he hadn't come before me, I still would have been there trying."

What separates Dahlin, 26, from his teammates is his ability to score and his willingness to talk about it.

After scoring seven goals in nine World Cup qualifying matches, he has added four in as many matches during the World Cup's finals in the United States. He and fellow forward Kenneth Andersson, who also has four goals in this tournament, now share Sweden's career World Cup scoring leadership with three former national team players.

With 20 goals in 33 national team games, he already is among Sweden's top 10 all-time career scoring.

Sweden recorded its quarterfinal victory over Romania without a goal from Dahlin, who had to be replaced during overtime because of a cramp in his right calf. He expects to play in

Wednesday's semifinal against Brazil at the Rose Bowl in Pasadena.

"I have to play for a team that's good because it's a team sport and I can't do much by myself," Dahlin said. "But when I can play for a good team, like the Swedish national team, I think I'm quite good."

He compared himself to Brazil's Romário, Italy's Roberto Baggio and Bulgaria's Hristo Stoichkov—the offensive stars of the other three teams that have reached the semifinals.

Such talk is frowned upon by the usually reserved Swedish people, even with Sweden getting ready to play in its first World Cup semifinal since 1958, when it finished as runner-up to Brazil.

"In Sweden, it's not allowed to say that you are good in something," Dahlin said. "You have to be more than modest. You're not allowed to say anything about it."

Dahlin was born to parents of different races in 1968—12 days after Martin Luther King's assassination. He said that his mother, who is a white Swede, named him after King. She and Dahlin's father, a black Venezuelan, separated when Martin was 3. He remained, and Martin lost contact with his father for nearly 20 years.

"I didn't have any problems when I was child," Dahlin said. "When I started to play football, there were some other teams' fans—who screamed a lot of stupid things. But that was not really a big problem because they were just trying to do everything to get you to lose your concentration."

After bursting upon the Swedish soccer scene at age 19 by scoring a league-leading 17 goals for Malmö in 1987-88, Dahlin did lose his concentration. He suffered through a poor season in 1988-89 and was barely even considered for the 1990 World Cup.

"In '89, he was bad," the Swedish goalkeeper Thomas Ravelli said. "I think he learned a lot of things." Like how to live with success.

"It's always difficult to deal with success when you are young," Dahlin said. "But if you are 18 years old, it's difficult to say, 'Stop. How can you stop it? A coach isn't going to say, 'I'm not going to let you play because you are too good.'"

In 1991, Dahlin's career turned again when he joined Borussia Mönchengladbach and improved under the German league's demanding training and playing conditions.

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Thomas Ravelli, Sweden's goalkeeper, found some shade the hard way during stretching exercises in Los Angeles.

## Chance of a Lifetime Is in Their Hands

International Herald Tribune

**LOS ANGELES**—They stand apart in a team game. There are just four of them left, and on Wednesday every muscle they move, every reflex, every option they take will be exposed to the scrutiny of hundreds of millions around the globe.

Who would be a goalkeeper? More surely than any outfield player.

Borislav Mihaylov (Bulgaria), Gianluca Pagliuca (Italy), Claudio Taffarel (Brazil) and Thomas Ravelli (Sweden) know that the chance of a lifetime is in their hands.

Many, many men have attempted to be like them, to stand in that isolated position, No. 1 on their backs, between the whites of the goalposts. If Mihaylov, Pagliuca, Taffarel or Ravelli lose their nerve for a split second, their countrymen and the world will be their judge.

Yet they love it. Ravelli will be playing his 115th international for Sweden. He has never before exposed to the world in this way, and he says he looks forward to it.

He is coming off a high. His last action was to follow his instinct, to fling his lean, 6-foot-2 (1.88-meter) frame with acrobatic guesswork to his left and turn aside the final shot of the quarterfinal shootout against Romania in San Francisco.

Ravelli, at 34, has thrashed around in a ton of self-doubt and moments of public humiliation, and for going the right way at precisely the right split second of his life he is a national hero.

Against Brazil he could be made the idiot. Even if it never comes to a shootout, there is every chance of his facing a free kick from Branco, the Brazilian left back whose winning goal against the Netherlands was a masterpiece of deception.

Perhaps on Wednesday the Swedes will issue Ravelli radar to detect such cunning. Perhaps not. He, like the three other men who wear the goalkeeper's jersey, will stand alone, in splendid or wretched isolation.

Yet the expectations of Thomas Ravelli are nothing compared to those of Taffarel. To be Brazil's goalkeeper is to invite the scorn of 150 million experts. After 84 appearances for his country, the blond, seemingly composed Taffarel knows what it means to put one's hands in the fire of people's often irrational expectation.

Taffarel, 28, at 5-foot-11, is the shortest of the final four goalkeepers. And this World Cup he has already shown unconscionable fallibility in failing to catch balls driven across his penalty box.

A quiet man, a Brazilian unique in that he keeps goal for a club in Italy, he has the trust of the people who count in his life: Coach Carlos Alberto Parreira, wife, Andrea, and daughter, Catherine.

To be human is to err, and Pagliuca, the Italian keeper, has done that in a big way at this World Cup. In his opening match against Ireland, he was blamed for indecision, for coming off his line but stranding himself in no-man's-land, for not anticipating that Ray Houghton, an Irishman of few goals these days, would suddenly strike a ball from 20 meters over his head.

In his next match he rushed out too far, panicked and was sent off. Yet though his deputy, Luca Marchegiani, stood up well in the two matches from which Pagliuca was banned, Coach Arrigo Sacchi refused Pagliuca for the quarterfinal against Spain.

Imagine the thoughts of the 27-year-old Pagliuca, a keeper in waiting for six years, until getting his chance, when a shot from a Spanish boot looped up and over the keeper, into his net, off the leg of his own defender, Antonio Benarrivo.

At that moment, TV playback was a goalkeeper's best friend. And so it was in the closing minutes of the match when Julio Salinas was through for Spain, and Pagliuca, alone for hesitant positioning by saving the shot—and Italy's World Cup—with his legs.

A gifted athlete, seeming to have elastic sinew in his 6 feet, 2 inches, Pagliuca had a choice in life. He could have been a tennis player; he opted instead to try to emulate his other boyhood inspiration, Italy's most capped goalkeeper, Dino Zoff.

Mihaylov, 31, was born to keep goal, bred to keep calm in the crises, and in his own scheme of things lucky to reach maturity in the era when communism ended in Bulgaria and players were allowed to seek their fortunes abroad.

Mihaylov's father, Georgi, was a goalkeeper, too. The father was the last line of defense for Spartak Lefsky in the 1960s and evidently considered the position, with all of its brickbats, a worthy occupation, for he passed the trade on to his son.

Georgi Mihaylov persuaded Spartak to train his son from adolescence onward, doubtless never imagining that the son would take up his gym bag and emigrate first to Portugal, and then to France, where he plays for Mulhouse.

Keeping the French out of the World Cup was all in the line of duty to this big, imposing goalkeeper. Doing the same to Argentina and to Germany, two former World champions, does not appear to have fazed him either. And doubtless Mihaylov will be on his toes on Wednesday, aware of the habit Roberto Baggio has of preying on goalkeepers in the last seconds of play.

Ultimately that is the goalkeeper's job: excruciating even genius.

Rob Hughes is on the staff of The Times.







## OBSERVER

## Legal Orgies on TV

By Russell Baker  
NEW YORK — Some tongue-in-cheek cajolery of the legal profession recently in this space drew the usual sprinkle of humorless and vaguely menacing letters from lawyers which inevitably falls upon all who make light of the ancient profession.

The art of writing humorless and vaguely menacing letters must surely be taught in law school. It is an indispensable skill for putting the fear of blind Lady Justice's occasionally asinine whimsies into that great portion of the citizenry that doesn't know habeas corpus from duces tecum.

Lawyers are a bit techy these days about their "image." Like journalists, they seem to be in bad public odor. As with journalists too, the public seems to think they are cynical, greedy, dishonest and have too much power.

In an age when the sensitivity police have banned almost every joke conceivable, people still tell lawyer jokes with impunity. And yet, the fact is otherwise. Despite so many signs of public contempt, the public is absolutely in love with lawyers. On television and movie screens the lawyer has become as inescapable as the lowboy once was.

The courtroom has replaced Tombstone and the Peccos and Monument Valley and the streets of Laredo and home, home on the range. Which is to say, it is now the standard setting for the up-to-date, modern, end-of-century showdown between white hat and black, good and evil, marshal and gunlinger.

That's why we had all the major networks in a television orgy. All other things being equal, the television networks are the most powerful and the most influential in the country. They are the most powerful and the most influential in the country. They are the most powerful and the most influential in the country.

Television series about law-

yers abound and prosper. Scarcely a Sunday night passes without some hokum based on a "real-life" case taking us into the TV courtroom. Turn on your telly at random almost any night of the week and chances are excellent you'll see a dashing legal type saving some innocent from unjust punishment or bringing some rascal down.

The lawyers on display in the TV coverage of the Simpson case were not confined to the southern California group at work in the courtroom. Press accounts of the vast fees normally collected by Alan Dershowitz and F. Lee Bailey, already retained for future phases of the case, invited people to turn green with envy or sob with dismay, depending on their moral tone.

As the war in the Gulf unearched military experts galore and fanned them all over the tube, the Simpson case produced legal experts by the spate, most of them described as "defense" attorneys. Their confident, authoritative manners left no doubt that they deserved a modifying "brilliant."

What a richness of lawyers, and of law, we have. And what a good thing it is, on balance. It was lawyers, after all, who created the Constitution that created the United States, and even the meanness of them nowadays must always have that model subliminally housed in the back of his skull.

The question then is why President Clinton must use the tin cup to collect money to defend himself in the Paula Jones sexual-harassment case. This is an appalling situation in which to cast a president, and it exists because the price of law and lawyers has also become appalling.

Surely in a land with so many fine and rich lawyers some sense of professional pride might encourage their great stars to form a disinterested consortium to serve presidents as friends of the nation in times like this.

New York Times Service

## Lina Wertmüller: North vs. South in Italy

By John Tagliabue  
New York Times Service

ROME — Despite a Teutonic-sounding Swiss name, Lina Wertmüller has an unquenchable passion for the irrepressible south of Italy. So it is not surprising that her film, "Ciao, Professore," would probe the differences between Italy's somewhat disciplined north and the fervently other south.

The film is the tale of a dozen Neapolitan children reclaimed from lives as truant: little waiters, barbers, cigarette smugglers and drug runners. They are hauled back to school by a proper northern Italian schoolteacher, whom they in turn loosen up.

What does surprise is a name on the list of producers. Alongside Ciro Ippolito, the upstart Neapolitan producer mainly responsible for the film, and Vittorio Cecchi Gori, who brought in Paolo Villaggio, the comic actor who plays the teacher, is that of Silvio Berlusconi.

Berlusconi is the media tycoon turned politician who became Italy's prime minister in April. How did this conservative businessman become interested in spotlighting, in a quietly humorous way, the crime, disorder and neglected youth of southern Italy?

Although her forebears lived in the southern cities of Naples and Puglia, Wertmüller, 65, has lived in Rome for years. High above the streets, in the narrow room that serves as her workplace, she laughed disarmingly at the notion that Berlusconi, who helped finance the film, might have chosen her—a noted leftist—as the director.

"It's not as though he looked into this film personally," she said, noting that through an agreement to form Penta Films with Cecchi Gori, Berlusconi has helped finance about 85 percent of all Italian films since 1989.

Before starting Penta, Berlusconi made a fortune in publishing and television stations. Warning to the topic, she said: "He presents himself as a new kind of politician, a businessman who wants to try to be a politician, and if they let him work, maybe he'll give us proof of what he's able to do. We'll see."

If Berlusconi did not foster the making of "Ciao, Professore," the film clearly grew out of the political climate that led to his election.

The collapse of Italy's previous political class was partly caused by kick-

back scandals, and partly by the revolt of the separatist Northern League, which supports Berlusconi's government. The league rallied northern Italian voters with the cry that high taxes paid by the north went for handouts to the lazy south.

In the film, a computer glitch lands Sperelli, an elementary teacher from the north, in a gracefully decaying suburb of Naples. While awaiting reassignment, he boards with a dotty Neapolitan family, clashes with his colleagues at school and with the children themselves.

The story takes an ironic turn when straitlaced Sperelli starts bending society's rules to help the children. He roughs up a nun, hijacks a van and learns coarse Neapolitan phrases. By the time of his reassignment, both he and the children have changed.

Alessandro Benvenuti, a Roman writer who worked on the screenplay, said the film grew out of a collection of school compositions by children from Naples that became a best seller when it was published in 1990.

The film made from these gleamings was a box office success in Italy but some critics complained of its sentimentalism.

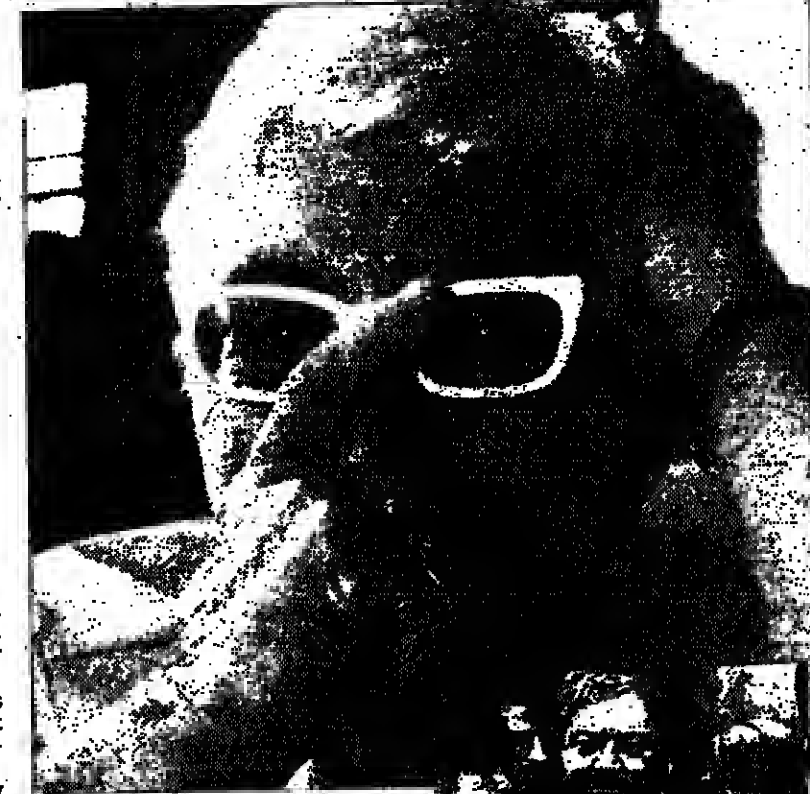
Letta Tornabuoni, of the Turin daily newspaper La Stampa, said the movie was "divided between pathos and enjoyment." David Rooney, writing in Variety, chided its "disarming sentimentality."

Tullio Kezich, a leading Italian film critic and longtime friend of Wertmüller, agrees. "It's part of the game of supply and demand," he said dismissively. "It's not really a project of Lina's. Though of course she's a southerner at heart, and Naples is her capital city."

"Lina is a woman who always sailed against the wind," he said, noting that she was the sole female director in an Italian world dominated by Federico Fellini, Bernardo Bertolucci and Michelangelo Antonioni.

"People expected a woman to make films with sensibility, love stories, but Lina can be aggressive, independent, decisive."

Wertmüller is accustomed to controversy. After the release of "The Seduction of Mimi" (for which she won the best director award at the Cannes Festival in 1972), "Sweet Away" (her 1975 film, which was nominated for four Oscars), and "Seven Beauties" (1976), some critics



Checco Lazzarini/Digital for The New York Times  
Lina Wertmüller and a scene from her film, "Ciao, Professore."

hailed her as exciting and brilliant, while others found her overrated and perverse.

Interest subsided, however, as she produced several critical and commercial flops, including "Summer Night" and "Crystal or Ash, Fire or Wind, as Long as It's Love," both in the late 1980s.

Speaking in her gravelly alto voice and wearing her signature white eyeglasses, Wertmüller defends "Ciao, Professore," recounting the tale of a young Neapolitan boy who worked with her on an earlier film.

"He didn't go to school, could hardly read or write, spoke nothing but heavy Neapolitan dialect," she said. "He worked with us with such passion that in the end I was convinced we had saved him from the million seductions of the street."

Then, several months ago, she read in the newspaper that the boy, now in his 20s, had been murdered over drugs. So "Ciao, Professore," she says, is really about violence, a fact of life

whether you're living in Naples, Washington or Philadelphia. She refuses to apologize for what some see as the film's sentimentality. "Then that means that I'm sentimental," she snaps, adding with a grin, "I've never been it before, but I guess I'm supposed to have become it in this case."

## PEOPLE

## Israelis Say No Show For Vanessa Redgrave

Israeli audiences have snubbed British actress Vanessa Redgrave, an outspoken supporter of the Palestinian cause. The Haifa Municipal Theater announced that the curtain would not go up on "Brecht in Exile," in which Redgrave was to have appeared next week. Only 150 advance tickets had been sold for the two shows, Israel Radio reported.

Andrew Lloyd Webber says he welcomes the chance to settle his "Sunset Boulevard" problems with Faye Dunaway in court. Webber closed the Los Angeles production last month, short-circuiting Dunaway's debut as silent screen star Norma Desmond. He claimed her voice wasn't up to the show's demands. Dunaway has hired a lawyer but no legal action has yet been taken.

Prince Frederic Voe Anhalt surrendered his crucifix blessed by Pope John Paul II to Eike Sommer's lawyer in court as part of a \$3.3 million judgment against the prince and his wife, Zsa Zsa Gabor, in damages for calling Sommer a Hollywood has-been.

Pianist Van Cliburn, on his first concert tour in 16 years, fell ill halfway through a performance at the Hollywood Bowl in Los Angeles and was forced to cut it short. Cliburn apologized to the audience for what he called a dizzy spell.

Claws came out at Rome's high fashion shows when rivals accused designer Valentino of timing a news conference with supermodel Claudia Schiffer to steal the limelight. "This move was completely unethical," designer Egon von Furstenberg said, after journalists deserted his show to attend the event.

INTERNATIONAL CLASSIFIED  
Appears on Page 4

## WEATHER

Forecast for Thursday through Saturday, as provided by Accu-Weather.

Europe	Today	High	Low	Tomorrow	High	Low
Algeria	20/26	21/26	17/22	21/27	22/27	18/23
Amsterdam	21/26	21/26	17/22	21/27	22/27	18/23
Antwerp	21/26	21/26	17/22	21/27	22/27	18/23
Athens	21/26	21/26	17/22	21/27	22/27	18/23
Berlin	21/26	21/26	17/22	21/27	22/27	18/23
Bombay	21/26	21/26	17/22	21/27	22/27	18/23
Buenos Aires	21/26	21/26	17/22	21/27	22/27	18/23
Calcutta	21/26	21/26	17/22	21/27	22/27	18/23
Cairo	21/26	21/26	17/22	21/27	22/27	18/23
Chennai	21/26	21/26	17/22	21/27	22/27	18/23
Columbus	21/26	21/26	17/22	21/27	22/27	18/23
Dallas	21/26	21/26	17/22	21/27	22/27	18/23
Dhaka	21/26	21/26	17/22	21/27	22/27	18/23
Durham	21/26	21/26	17/22	21/27	22/27	18/23
Edinburgh	21/26	21/26	17/22	21/27	22/27	18/23
Hankow	21/26	21/26	17/22	21/27	22/27	18/23
Hong Kong	21/26	21/26	17/22	21/27	22/27	18/23
Kobe	21/26	21/26	17/22	21/27	22/27	18/23
London	21/26	21/26	17/22	21/27	22/27	18/23
Los Angeles	21/26	21/26	17/22	21/27	22/27	18/23
Madras	21/26	21/26	17/22	21/27	22/27	18/23
Manila	21/26	21/26	17/22	21/27	22/27	18/23
Moscow	21/26	21/26	17/22	21/27	22/27	18/23
Mumbai	21/26	21/26	17/22	21/27	22/27	18/23
Nairobi	21/26	21/26	17/22	21/27	22/27	18/23
Paris	21/26	21/26	17/22	21/27	22/27	18/23
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Port of Spain	21/26	21/26	17/22	21/27	22/27	18/23
Rangoon	21/26	21/26	17/22	21/27	22/27	18/23
San Francisco	21/26	21/26	17/22	21/27	22/27	18/23
Singapore	21/26	21/26	17/22	21/27	22/27	18/23
Sourabaya	21/26	21/26	17/22	21/27	22/27	18/23
Taipei	21/26	21/26	17/22	21/27	22/27	18/23
Tokyo	21/26	21/26	17/22	21/27	22/27	18/23
Yokohama	21/26	21/26	17/22	21/27	22/27	18/23



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## ACROSS

1 Symbol of

5 Author Grey et

10 Joyful cries

14 Hand cream

15 Summertime

16 Crow's-nest

17 Storage spot in

19 Word with

20 Sound or dog

21 Jargon suffix

22 Petrol amount

23 What a

24 Brooklyn guy

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